

# OFFICIAL TRANSCRIPT OF PROCEEDINGS BEFORE THE POSTAL REGULATORY COMMISSION

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In the Matter of: )  
 ) Docket No. MC2006-7  
STAMPED STATIONERY AND )  
STAMPED CARDS CLASSIFICATION )

VOLUME #2

Date: May 29, 2007  
Place: Washington, D.C.  
Pages: 8 through 219

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## HERITAGE REPORTING CORPORATION

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Washington, D.C. 20005  
(202) 628-4888

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Stamped Stationary and  
Stamped Cards Classification

Docket No. MC2006-7

DESIGNATION OF WRITTEN CROSS-EXAMINATION

Party

Interrogatories

**United States Postal Service**

**Nina Yeh (USPS-T-1)**

David B. Popkin

DBP/USPS-32-39 redirected to T1  
DFC/USPS-T1-1-10, 12-18, 23-30

Office of the Consumer Advocate

DBP/USPS-32-33, 35-37 redirected to T1  
DFC/USPS-T1-1-10, 12-17, 30  
OCA/USPS-T1-1, 5-12, 18, 20-24, 27-29

**Institutional**

David B. Popkin

DBP/USPS-1-31, 40-57, 61-62, 64-67, 69-71  
DFC/USPS-T1-11 redirected to USPS

Office of the Consumer Advocate

DBP/USPS-1-3, 8, 17, 19-30, 40-41, 46, 48,  
50-52, 55, 61, 65-67, 70  
OCA/USPS-T1-3-4, 13-17, 19, 30-34  
redirected to USPS

Respectfully  
submitted,



Garry Sikora  
Acting Secretary

INTERROGATORY RESPONSES  
DESIGNATED AS WRITTEN CROSS-EXAMINATION

Interrogatory

Designating Parties

**United States Postal Service**

**Nina Yeh (USPS-T-1)**

DBP/USPS-32 redirected to T1	OCA, Popkin
DBP/USPS-33 redirected to T1	OCA, Popkin
DBP/USPS-34 redirected to T1	Popkin
DBP/USPS-35 redirected to T1	OCA, Popkin
DBP/USPS-36 redirected to T1	OCA, Popkin
DBP/USPS-37 redirected to T1	OCA, Popkin
DBP/USPS-38 redirected to T1	Popkin
DBP/USPS-39 redirected to T1	Popkin
DFC/USPS-T1-1	OCA, Popkin
DFC/USPS-T1-2	OCA, Popkin
DFC/USPS-T1-3	OCA, Popkin
DFC/USPS-T1-4	OCA, Popkin
DFC/USPS-T1-5	OCA, Popkin
DFC/USPS-T1-6	OCA, Popkin
DFC/USPS-T1-7	OCA, Popkin
DFC/USPS-T1-8	OCA, Popkin
DFC/USPS-T1-9	OCA, Popkin
DFC/USPS-T1-10	OCA, Popkin
DFC/USPS-T1-12	OCA, Popkin
DFC/USPS-T1-13	OCA, Popkin
DFC/USPS-T1-14	OCA, Popkin
DFC/USPS-T1-15	OCA, Popkin
DFC/USPS-T1-16	OCA, Popkin
DFC/USPS-T1-17	OCA, Popkin
DFC/USPS-T1-18	Popkin
DFC/USPS-T1-23	Popkin
DFC/USPS-T1-24	Popkin
DFC/USPS-T1-25	Popkin
DFC/USPS-T1-26	Popkin
DFC/USPS-T1-27	Popkin
DFC/USPS-T1-28	Popkin





### Designating Parties

DBP/USPS-65

OCA, Popkin

DBP/USPS-66

OCA, Popkin

DBP/USPS-67

OCA, Popkin

DBP/USPS-69

Popkin

DBP/USPS-70

OCA, Popkin

DBP/USPS-71

Popkin

DFC/USPS-T1-11 redirected to USPS

Popkin

OCA/USPS-T1-3 redirected to USPS

OCA

OCA/USPS-T1-4 redirected to USPS

OCA

OCA/USPS-T1-13 redirected to USPS

OCA

OCA/USPS-T1-14 redirected to USPS

OCA

OCA/USPS-T1-15 redirected to USPS

OCA

OCA/USPS-T1-16 redirected to USPS

OCA

OCA/USPS-T1-17 redirected to USPS

OCA

OCA/USPS-T1-19 redirected to USPS

OCA

OCA/USPS-T1-30 redirected to USPS

OCA

OCA/USPS-T1-31 redirected to USPS

OCA

OCA/USPS-T1-32 redirected to USPS

OCA

OCA/USPS-T1-33 redirected to USPS

OCA

OCA/USPS-T1-34 redirected to USPS

OCA

**MC2006-7**

**United States Postal Service**

**Nina Yeh  
(USPS-T-1)**

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-32 Please refer to your responses to Interrogatories DBP/USPS-1 and 2.

[a] Please confirm that the Number Printed/Number Sold/Number Sold SFS entries that are blank are that way because the information is not available.

[b] For any of the blank entries, please provide any estimates that are available as approximate numbers, ranges of numbers, or approximate percentages, such as "approximately 50,000" or "30,000 to 40,000" or "approximately 75% sold" etc.

RESPONSE:

a. That is my understanding.

b. My understanding is that there is no information available.



RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-33 Please refer to your response to Interrogatory DFC/USPS-T1-1.

[a] Please discuss that concept of "philatelic value" as it applies to the pricing of Premium Stamped Stationery and Cards.

[b] Please confirm, or explain if you are unable to confirm, that a similar concept of "philatelic value" would apply to the existence of regular postage stamps, especially commemorative stamps.

[c] Please confirm, or explain if you are unable to confirm, that all of the regular postage stamps, including commemorative stamps, are sold at the face value appearing on the stamp regardless of the "philatelic value" of that stamp.

RESPONSE:

a. I have not used the term in my testimony.

b.-c. It is my understanding that all stamp issuances may have value to collectors, but the Postal Service does not establish this value, nor is it reflected in the price of a First-Class Mail stamp, for instance, which reflects the price of First-Class Mail service, not the value of the stamp to collectors.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DAVID B. POPKIN

- DBP/USPS-34 Please refer to your response to Interrogatory DFC/USPS-T1-4.
- [a] Please confirm, or explain if you are unable to confirm, that the Premium Stamped Stationery and Premium Stamped Cards are not philatelic items.
- [b] Please explain how items that are not philatelic items can have philatelic value.

RESPONSE:

I have not used that term in my testimony. Please see my response to DBP/USPS-T1-33.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-35

Please refer to your response to Interrogatory OCA/USPS-

T1-13.

[a] Please provide details on how the revenue figure of not exceeding \$2,700,000 was calculated.

[b] Please provide the corresponding expenses that were incurred that matches the revenue figure of not exceeding \$2,700,000. Please provide details on how this response was calculated.

[c] Please provide the corresponding value of the postage stamps that were on all of the items that were sold for a revenue figure of not exceeding \$2,700,000. Please provide details on how this response was calculated.

[d] Please advise the percentage of the value provided in response to subpart b above that represents the cost of providing postal services to the mailing of the referenced items. Please provide details on how this response was calculated.

RESPONSE:

(a) I have been provided with the following information:

Series	No. Sold	Price per Pack	Total Revenue
Holiday Music Makers (\$9.75)	13,234	\$ 9.75	\$ 129,032
Old Glory (\$9.75)	18,153	\$ 9.75	\$ 176,992
Cloudscapes (\$9.75)	30,881	\$ 9.75	\$ 301,090
Southeastern Lighthouses (\$9.75)	15,495	\$ 9.75	\$ 151,076
Art of Disney: Friendship Postal Cards (\$9.75)	36,303	\$ 9.75	\$ 353,954
Art of Disney: Celebration Postal Cards (\$9.75)	20,653	\$ 9.75	\$ 201,367
Sporty Cars Postal Cards (\$9.75)	16,157	\$ 9.75	\$ 157,531
Let's Dance Postal Cards (\$9.75)	10,834	\$ 9.75	\$ 105,632
Art of the American Indian (\$9.75)	22,047	\$ 9.75	\$ 214,958
Baseball Sluggers (\$9.95)	9,615	\$ 9.95	\$ 95,669
DC Comic Super Heroes (\$9.95)	18,897	\$ 9.95	\$ 188,025
Art of Disney: Romance Postal Cards (\$9.95)	9,461	\$ 9.95	\$ 94,137
So. Florida Wetlands Postal Cards (\$7.95)	7,763	\$ 7.95	\$ 61,716
Art of Disney: Friendship Stationery (\$14.95)	16,832	\$ 14.95	\$ 251,638
Garden Bouquet Stationery (\$14.95)	10,956	\$ 14.95	\$ 163,792
<b>TOTAL</b>			<b>\$ 2,646,609</b>

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DAVID B. POPKIN

(b) My understanding is that specific costs relating to each Premium Stamped Stationery and Card series are not available.

(c) I have been provided with the following information:

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DAVID B. POPKIN

Series	Postage	Items/Pack	No. Packs Sold	Postage Revenue	Price per Pack	Total Revenue	Non-Postage Revenue
Holiday Music Makers (\$9.75)	0.23	20	13,234	60,876	9.75	129,032	68,155
Old Glory (\$9.75)	0.23	20	18,153	83,504	9.75	176,992	93,488
Cloudscapes (\$9.75)	0.23	20	30,881	142,053	9.75	301,090	159,037
Southeastern Lighthouses (\$9.75)	0.23	20	15,495	71,277	9.75	151,076	79,799
Art of Disney: Friendship Postal Cards (\$9.75)	0.23	20	36,303	166,994	9.75	353,954	186,960
Art of Disney: Celebration Postal Cards (\$9.75)	0.24	20	20,653	99,134	9.75	201,367	102,232
Sporty Cars Postal Cards (\$9.75)	0.24	20	16,157	77,554	9.75	157,531	79,977
Let's Dance Postal Cards (\$9.75)	0.24	20	10,834	52,003	9.75	105,632	53,628
Art of the American Indian (\$9.75)	0.23	20	22,047	101,416	9.75	214,958	113,542
Baseball Sluggers (\$9.95)	0.24	20	9,615	46,152	9.95	95,669	49,517
DC Comic Super Heroes (\$9.95)	0.24	20	18,897	90,706	9.95	188,025	97,320
Art of Disney: Romance Postal Cards (\$9.95)	0.24	20	9,461	45,413	9.95	94,137	48,724
So. Florida Wetlands Postal Cards (\$7.95)	0.39	10	7,763	30,276	7.95	61,716	31,440
Art of Disney: Friendship Stationery (\$14.95)	0.37	12	16,832	74,734	14.95	251,638	176,904
Garden Bouquet Stationery (\$14.95)	0.37	12	10,956	48,645	14.95	163,792	115,148
<b>TOTAL</b>				<b>1,190,736</b>		<b>2,646,609</b>	<b>1,455,873</b>

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DAVID B. POPKIN

(d) N/A. Please see the response to part (b).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-36 Please refer to your response to Interrogatory OCA/USPS-T1-1.

[a] Please confirm, or explain if you are unable to confirm, that the average unit retail price as shown was determined by adding up the total cost of one of each of the items listed and dividing by the total number of items.

[b] For each of the nineteen items that are listed, please advise whether the item was sold as a single item or was sold in a multiple pack. If sold in a multiple pack, please provide details of the number of articles in the package and the total price, such as 12 sets for \$19.99 which would then be shown in the table as \$1.666.

[c] For each of the Stationery items 1 through 10, please indicate whether they would be considered to be a "normal" greeting card such as one that might be sent to wish someone a happy birthday or would be considered to be a note card which are designed for writing a complete message such as would be the same as writing on the Premium Stamped Stationery.

[d] Please confirm that the physical characteristics of Stationery items 11 through 14 are identical and only differ in the printing.

[e] Please explain in detail why it is believed that the quality of the available letter sheets is much lower than the quality of PSS. Please provide specific details including the type of paper, surface of the paper, thickness of the paper, quality of the printing, etc. Please provide an illustration of the front and rear side of these items.

[f] Please explain why the quality of the current PSS and PSC issues is comparable to the higher quality items as indicated by the higher unit prices. Please also indicate therefore why the quality of the current PSS and PSC issues is of a higher quality than the lower quality items as indicated by the lower unit prices. Please provide specific details including the type of paper, surface of the paper, thickness of the paper, quality of the printing, etc.

[g] Please confirm, or explain if you are unable to confirm, that the average unit retail price is subject to a large change if there is a change in the make-up of the sample items particularly since there is such as variability of prices, namely a 13.41 to one for stationery and 4.18 to one for postcards and since there is only a small sample size.

[h] Please specifically advise how the specific items were chosen for the samples.

RESPONSE:

a. Confirmed.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DAVID B. POPKIN

b. & c.

**Sample of Stationery**

No.	Description	Unit Retail Price	Dimensions	Sold as:	Total Package Price	"Normal" or Notecard
1*	Eiffel Tower card and envelope by Papyrus	\$2.950	5" x 7"	Single	\$2.95	Notecard
2	Wendi Wing card and envelope by Studio One Hundred	\$2.290	5" x 7"	Single	\$2.29	Notecard
3*	Shoebox card and envelope by Hallmark	\$2.290	4 3/4" x 6 3/4"	Single	\$2.29	Normal
4	White House card and envelope by Autumn Publishing, Inc.	\$2.250	5" x 7"	Single	\$2.25	Notecard
5	Gallery Note card and envelope by American Greetings Corp.	\$1.120	3 1/4" x 7"	Box of 8 cards and envelopes	\$8.95	Notecard
6	Simple Spells for Love card and envelope by Galison	\$1.000	5" x 6 3/4"	Pack of 10 cards and envelopes Box of 20 sheets and envelopes	\$10.00	Notecard
7*	Bohemian stationery with envelope by Papyrus	\$0.948	5 7/8" x 8 1/4"	envelopes	\$18.95	Letter sheet
8	Candystripes (LANG) note cards and envelope by The Lang Companies	\$0.870	4" x 5"	Pack of 8 cards and envelopes	\$6.95	Normal
9	Spring Visitor (LANG) note cards and envelope by Bookmark, LTD.	\$0.610	4 1/8" x 5"	13 cards in a box	\$7.95	Notecard
10	Romance note cards and envelope by Galison Books	\$0.400	3 1/2" x 5"	20 cards in a box	\$7.95	Notecard
11	Amazing Spider-man fold and mail stationery by Chronicle Books	\$0.220	7" x 10"	Pad of 40 sheets	\$8.95	Letter sheet
12	Mutts fold and mail stationery by Chronicle Books	\$0.220	7" x 10"	Pad of 40 sheets	\$8.95	Letter sheet
13	Wonder Woman fold and mail stationery by Chronicle Books	\$0.220	7" x 10"	Pad of 40 sheets	\$8.95	Letter sheet
14*	Superman fold and mail stationery by Chronical Books	\$0.220	7" x 10"	Pad of 40 sheets	\$8.95	Letter sheet
	Average unit retail price of sample of stationery	\$1.115				



RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DAVID B. POPKIN

Sample of Postcards

No.	Description	Unit Retail Price			
1*	Natural Wonders postcard by Papyrus	\$0.831	3 3/4" x 5 3/4"	Box of 18 cards	\$14.95
2	Greetings from Virginia (oversized) postcard by Shin Sung Souvenir Co.	\$0.600	5" x 7"	Single	\$0.60
3	National Mall postcard by L.B. Prince Co.	\$0.458	5" x 6 1/2"	Pack of 12 cards	\$5.50
4	Greetings from Virginia (regular) postcard by Shin Sung Souvenir Co.	\$0.400	4 1/8" x 6 7/8"	Single	\$0.40
5	Washington, D.C. postcard by L.B. Prince Co.	\$0.199	3 1/2" x 7 3/4"	Booklet of 40 cards	\$7.95
	Average Unit Retail Price of sample of postcards	\$0.498			

Note: All samples were supplied by USPS Stamp Services in December 2006 with the exception of those annotated with an asterisk that were part of my personal collection.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DAVID B. POPKIN

d. Not confirmed. My understanding is that stationery items 11 through 14 differ in subject matter, design, artist, paper, trademark and license.

e. I am not an expert on paper quality, however to the naked eye the quality of the available letter sheets in my sample appears to be lower than the quality of PSS in respect to paper, packaging, printing, and durability. For example, the Garden Bouquet PSS sheets consist of a thick tri-fold glossy finished paper, high resolution artwork printed with light fast durable inks, and removable liner for adhesive. Letter sheets such as those in stationery items 11 through 14 appear to consist of a thin bi-fold matte paper and exposed water activated glue. These sample sheets appear to be flimsy and less durable in comparison to PSS. The front sides feature various artworks and a space for address and the back side contains lines for message.

f. As I stated on page 5 of my testimony, the samples consists of "commercially available products that might serve as substitutes for the stationery and cards if they were not stamped." It is not my testimony that the current PSS and PSC issues are entirely comparable to any particular item in the sample. Some items in the sample are more comparable to PSS and PSC in terms of quality, design, or distinctiveness. Others are more comparable to PSS and PSC in terms of concept, such as the fold-and-mail stationery items 11 through 14.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-37 Please refer to your response to Interrogatory OCA/USPS-T1-1.

[a] Please advise whether the dimensions shown for Stationery items 1 through 10 are the size of the card or the size of the envelope. If it is the dimension of the card, please advise the dimension of the envelope. If it is the dimension of the envelope, please confirm, or explain if you are unable to confirm, that the card is designed to fit into the envelope and is no more than one-half inch less in length and width than the envelope.

[b] Please advise the dimensions of the items shown in Stationery items 11 through 14 after they are folded for mailing.

[c] Please advise the postage that would be required to mail each of the nineteen items shown in the chart based on the size and characteristic of the mailpiece assuming that the weight is less than an ounce and the thickness is less than 0.25 inches. If the mailpiece is not mailable, so state.

RESPONSE:

- a. The dimensions reported in response to interrogatory OCA/USPS-T1-1 reflect those imprinted on the packaging of the piece and measurements I took of the card.
- b. The dimensions of stationery items 11 through 14 after they are folded for mailing are approximately 6 3/8 by 4 1/2.
- c. Assuming that the weight is less than one ounce and the thickness is less than 0.25 inches, stationery items 1 through 14 would qualify for the First-Class Mail first ounce letter rate and postcard items 1 would qualify for the First-Class Mail card rate and postcard items 2 through 5 would qualify for the First-Class Mail first ounce letter rate because their length exceeds 6 inches.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-38 Please refer to your response to Interrogatory OCA/USPS-T1-1.  
Please explain why you believe that the lowest price for a postcard that is mailable at  
the post card postage rate is 83.1¢.

RESPONSE:

My response to interrogatory OCA/USPS-T1-1 does not state or suggest such a belief.

My sample of commercially available postcards comparable to PSC include postcards  
priced as low as 19.9 cents.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-39 Please refer to your response to Interrogatory DBP/USPS-15. Please specifically comment on the following characteristics of the latest Premium Stamped Cards as to their design with respect to mailability.

- [a] The proportion of the front of the card that is divided between the address part on the right side and the message part on the left side.
- [b] The effect that the vertical dividing line on the front of the card with respect to the reading of the Postnet barcode.
- [c] The surface of the front of the card with respect to the reading of the Postnet barcode and the cancellation.
- [d] The surface of the rear of the card with respect to the reading of the RBCS code.

Response:

My understanding is that the designs have been approved, as indicated in DBP/USPS-15. I have no information regarding these details nor did I need to consider them in making my proposal.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-1.** Please explain the role that the philatelic value, if any, of premium stamped stationery and premium stamped cards plays in your pricing proposal.

**RESPONSE:**

My pricing proposal is designed to allow any such evaluation to be done by the Postal Service's experts on stamps when they set prices within the range.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-2.** Please refer to your testimony on page 6. Did you use the window transaction cost of single-piece stamped envelope sales as a proxy for the window transaction cost for premium stamped stationery and premium stamped cards? If not, please explain.

**RESPONSE:**

As stated at that page, "In order to approximate total costs, the costs of distribution to post offices and the window service selling costs presented for Stamped Envelopes in Docket No. R2006-1 can be used as proxies."

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-3.** Please identify all postal services since 1971 whose price has resulted in a cost coverage exceeding 200 percent.

**RESPONSE:**

I am aware that there are such instances; however, I have not compiled a list. The information is available in public documents. For example, in the most recent rate case, the Commission recommended rates for First-Class Mail letters and Standard Mail ECR and NECR that have cost coverages above 200 percent. (PRC Op., R2006-1, Appendix G, Schedule 1.)



RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-4.** Are premium stamped stationery and premium stamped cards philatelic items? Please explain.

**RESPONSE:**

My testimony is based on the Commission's finding that PSS is a postal service.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-5.** Please explain why your testimony does not include an appraisal of the design features and valuation of the artwork of premium stamped stationery and premium stamped cards. If your testimony does include these components, please identify where and how.

**RESPONSE:**

Please see my response to DFC/USPS-T1-1.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-6.** Please identify the art or design professors with whom the Postal Service consulted in developing its pricing proposal in this proceeding.

**RESPONSE:**

There was no need for such consultation, given the pricing approach that was suggested by the Commission and which I adopted and elaborated upon in my testimony. Please see my response to DFC/USPS-T1-1.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-7.** Please refer to your response to DFC/USPS-T1-3. Please identify all cost coverages over 200 percent that the Commission has recommended in the past and on which the Postal Service may rely in supporting the cost coverages proposed for premium stamped stationery and premium stamped cards.

**RESPONSE:**

I am neither proposing fees based on cost coverages nor relying on past cost coverages to support my proposal. Please see my response to OCA/USPS-T1-23.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-8.** Please provide the invoice for production costs for *The Art of Disney: Friendship* stamped stationery.

RESPONSE:

Please see the attachment.

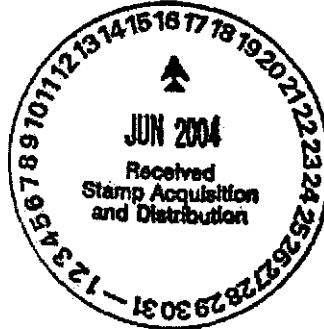
Attachment to response to DFC/USPS-T1-8

**SENNETT SECURITY PRODUCTS**4212-A Technology Court  
Chantilly, VA 20151-1214

6969

(703) 803-8880 FAX (703) 803-8884

INVOICE NO.	INVOICE DATE
6969	08/15/04

SOLD  
TO:Stamp Acquisition & Distribution  
US Postal Service HDQ  
475 L'Enfant Plaza, SW  
Washington, DC 20260-6810

Total Pads Ordered	40,000
Amount Shipped Previously	7,070
Amount Shipped This Invoice	32,930
Balance Pads To Be Shipped	0

PURCHASE ORDER NUMBER	DATE ORDERED	PAYMENT DATE	SALESPERSON
2ASPRI-04-P-3578	03/09/04	07/15/04	
TERMS	NOTES		
Net 30	Contract No. 2ASPRI-03-Q-4342		

REFERENCE	DESCRIPTION	AMOUNT
Disney Friendship Stamped Stationery	32,930 Pads of 12 Shipped	
	06/08/04 32,930 \$2.6300 each Lot # 566794 (04) 5-26	\$86,605.90
	Backer Board Reprint	\$14,745.00
I certify that goods or services described have been received and that the invoice is correct and proper for payment. <u>Diane Dalsing</u> Signature <u>DIANE DALSING</u> Printed or typed name and title <u>USPS Hdqtrs</u> 67-1470 Postal facility Finance number		

MESSAGE:

2ASPRI-04-P-3578 52442  
 Order or contract number Account number  
 6/16/04  
 A/C (local payments) Date goods or services received  
 6/16/04 6/16/04  
 Date certified for payment Date invoice received  
 703-292-3827  
 Phone number

SUBTOTAL	
SALES TAX	
SHIPPING	
TOTAL	\$101,350.90

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-9.** Please refer to your response to OCA/USPS-T1-1. Please identify the number of products that were reviewed and that were not included in the calculation of the average retail price of "comparable" commercially available products.

RESPONSE:

None. However, I am aware of the existence of commercially available stationery and cards that I would not deem comparable to PSS and PSC, such as hand-crafted stationery, plush fabric postcards, and custom designed stationery, to name a few.

These would have supported a higher maximum.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-10.** Please refer to your response to DFC/USPS-T1-2. Please explain why window-service selling costs are a reasonable proxy for Stamp Fulfillment Services sales costs.

**RESPONSE:**

My understanding of the two fulfillment processes is that they are similar enough to conclude that window-service selling costs are a reasonable proxy for Stamp Fulfillment Services sales costs. The orders at the Stamp Fulfillment Services are taken through the toll free number, online or from paper forms. When a customer calls in to place an order, the sales clerk takes the order from the customer for the product they intend to buy and/or answers questions relating to other types of products that the customer is interested in. When the customer orders online, the fulfillment of the order requires processing time of the sales clerk. Similarly, when the orders come through the paper form, the sales clerk has to process the order.

Furthermore, window service selling costs used as a proxy are calculated by dividing the total window service cost by the total stamped envelope volumes, not by the volume of stamped envelopes actually sold at the window as opposed to through some other channel. Therefore, the "window service selling cost per piece" figure used is probably somewhat understated for the cost of pieces actually sold at the window.



RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-12.** What is "quality stock paper"?

**RESPONSE:**

The term "quality stock paper" was the term used by the Commission in Order No. 1475, apparently based on the Postal Service's answer to paragraph 7 of the complaint in Docket No. C2004-3, that "Disney stationery is printed on superior paper stock."

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-13.** Please refer to your response to OCA/USPS-T1-1. Please explain why a 19.9-cent Washington, DC, post card should be afforded equal weight in your average as an 83.1-cent Natural Wonders post card.

**RESPONSE:**

Based on my observation of the sample post cards, I concluded that all of them are equally comparable to Premium Stamped Cards and that it is appropriate to assign equal weight in the average sample price.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-14.** Please refer to your response to OCA/USPS-T1-8. Please explain why the Commission should recommend a potential cost coverage of 317 percent to 389 percent.

RESPONSE:

Please see my responses to DFC/USPS-T1-7 and OCA/USPS-T1-23.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-15.** Please refer to your response to OCA/USPS-T1-9. Please explain why the Commission should recommend a potential cost coverage of 532 percent to 559 percent.

RESPONSE:

Please see my responses to DFC/USPS-T1-7 and OCA/USPS-T1-23.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-16.** Please explain why your testimony included the invoice for the Garden Bouquet stamped stationery but not the invoice for *The Art of Disney: Friendship* stamped stationery.

RESPONSE:

As stated on page 5 of my testimony, "The identifiable production and distribution costs of one example of PSS and one of PSC are portrayed in worksheets PSSPSC-WP4 and PSSPSC-WP5 of Attachment A, respectively." The purpose of including the Garden Bouquet PSS invoice is to support the cost figures for this specific example. For illustrative purposes, I used Garden Bouquet PSS, as opposed to The Art of Disney: Friendship PSS because it is the most current of the two PSS issuances.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-17.** Please identify all known factors that caused the production costs of the Garden Bouquet stamped stationery to exceed the production costs of *The Art of Disney: Friendship* stamped stationery.

**RESPONSE:**

Garden Bouquet PSS consists of high gloss finished thick paper, removable liner for adhesive and clear tabs for securing sides of letter sheets. It is my understanding that these characteristics incurred higher production costs for Garden Bouquet PSS. The Art of Disney: Friendship PSS consists of matte paper and water-activated glue.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-18.** For the purpose of setting fees in this proceeding, please specify the significance, if any, that the Postal Service assigns to the cost coverage that results from the fees that the Commission approves and the Postal Service implements as a result of this proceeding.

**RESPONSE:**

Please see my response to OCA/USPS-T1-23 and DFC/USPS-T1-7.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-23.** Please state the significance of the average unit retail prices that you provided in response to OCA/USPS-T1-1.

**RESPONSE:**

The average unit prices of the sample of commercially available products comparable to PSS and PSC reflects an average of prices that a consumer may face if he or she were to shop and compare a sample of stationery and cards in the market place that are comparable to PSS and PSC.



RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-24.** Please refer to your response to OCA/USPS-T1-1, where you provided the unit retail prices of five post cards. Suppose the sales volume of items 1, 2, 3, 4, and 5 is 100 units, 50 units, 40 units, 20 units, and 10 units, respectively. For the purpose of resolving issues in this proceeding, in your opinion, what is the average retail price of these five post cards?

**RESPONSE:**

The average unit retail prices for the five post cards remain the same as those stated in my response to OCA/USPS-T1-1. It is my understanding and experience that the retail price to the consumer does not fluctuate with sales volume for these products.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-25.** If the Commission approves an acceptable fee or price range for the products at issue in this proceeding, please describe the public input, if any, that the Postal Service will seek before raising the price of these products.

**RESPONSE:**

I am not sure what you been by "raising the price." My understanding is that once a price is set for a particular issuance, the price will not be changed.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-26.** Compared to stationery products that do not have postage preaffixed, please confirm that the preaffixed postage on premium stamped stationery contributes convenience to the premium stamped stationery product for some customers. If you do not confirm, please explain.

**RESPONSE:**

Please see my testimony at page 8: "Senders enjoy the convenience of mailing quality stationery and cards with unique designs without having to purchase postage separately and affix it."

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-27.** Compared to post cards that do not have postage preaffixed, please confirm that the preaffixed postage on premium stamped cards contributes convenience to the premium stamped card product for some customers. If you do not confirm, please explain.

**RESPONSE:**

Please see my response to DFC/USPS-T1-26.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-28.** Suppose five products have the following price and volume characteristics:

Product	Price	Volume
1	\$1.50	500 units
2	\$1.00	75 units
3	\$0.75	85 units
4	\$0.50	15 units
5	\$0.25	20 units

In your opinion, what is the average price of these products?

**RESPONSE:**

The average price of the 5 unique products that a consumer faces is \$0.80, derived as follows:  $[(\$1.50 + \$1.00 + \$0.75 + \$0.50 + \$0.25) / 5]$ .

If the question means to imply that a consumer purchased all of the corresponding units of all 5 products, then the average cost per unit for the entire purchase would be: \$1.20, derived as follows:  $[((500 \times \$1.50) + (75 \times \$1.00) + (85 \times \$0.75) + (15 \times \$0.50) + (20 \times \$0.25)) / 695]$ .

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-29.** Please refer to your response to DFC/USPS-T1-25. Please confirm that, once the Postal Service places a particular premium stamped stationery or premium stamped card product on sale at a particular price, the Postal Service will never raise the price. If you do not confirm, please explain.

**RESPONSE:**

Please see the Postal Service's response to DBP/USPS-40(c).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-30.** Please refer to your response to DFC/USPS-T1-7. Should the Commission ignore cost coverage in recommending fees for premium stamped stationery and premium stamped cards? Please explain.

**RESPONSE:**

No. Please refer to my testimony at pages 5-6 and my reference to it in the cited response, which says, in part: "I then calculated approximated cost coverages as a way to assess the potential magnitude of the contribution."

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-1. Please refer to your worksheet PSSPSC-WP3 in Attachment A of your testimony which indicated the unit market price of products comparable to Premium Stamped Stationery and Premium Stamped Cards without postage is \$1.12. Please also please refer to page 5 of your testimony referring to that unit market price as based on "a sample of such products and used them to calculate the price points depicted in worksheet PSSPSC-WP3 of Attachment A."

- a. Please explain why you do not determine separate unit market prices for letter sheets and cards.
- b. How many samples did you obtain, at what prices, when and where did you obtain the samples?
- c. Did you assume the full retail price (or recommended retail price) in your calculations? If not, please explain.
- d. Did you obtain samples of both cards and letter sheets? Please show your calculations to determine the unit market price of stationery of \$1.12.
- e. Please describe the examples you obtained, particularly the size of the letter sheets and cards, whether envelopes were included in the price, and the quality of the stock of each of the samples as compared to the quality of the stock in the current issues of Premium Stamped Stationery and the Premium Stamped Cards.

RESPONSE:

- a. I did. Please refer to the Notice of Correction filed on March 14, 2007.
- b. Please see the table below.
- c. Yes, I assumed the full retail price in estimating the market prices.
- d. Yes, the samples included cards and letter sheets. It also included card and envelope sets, since the quality of the available letter sheets was much lower than the quality of PSS. The calculation is shown in the table.
- e. Please see the table below. The samples were of various quality, with differences in quality generally reflected in the unit price differences. The quality of current PSS and PSC issues is comparable to the higher quality items among the samples.



**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE**

**Sample of Stationery**

<b>No.</b>	<b>Description</b>	<b>Unit Retail Price</b>	<b>Dimensions</b>
1*	Eiffel Tower card and envelope by Papyrus	\$2.950	5" x 7"
2	Wendi Wing card and envelope by Studio One Hundred	\$2.290	5" x 7"
3*	Shoebox card and envelope by Hallmark	\$2.290	4 3/4" x 6 3/4"
4	White House card and envelope by Autumn Publishing, Inc.	\$2.250	5" x 7"
5	Gallery Note card and envelope by American Greetings Corp.	\$1.120	3 1/4" x 7"
6	Simple Spells for Love card and envelope by Galison	\$1.000	5" x 6 3/4"
7*	Bohemian stationery with envelope by Papyrus	\$0.948	5 7/8" x 8 1/4"
8	Candystripes (LANG) note cards and envelope by The Lang Companies	\$0.870	4" x 5"
9	Spring Visitor (LANG) note cards and envelope by Bookmark, LTD.	\$0.610	4 1/8" x 5"
10	Romance note cards and envelope by Galison Books	\$0.400	3 1/2" x 5"
11	Amazing Spider-man fold and mail stationery by Chronicle Books	\$0.220	7" x 10"
12	Mutts fold and mail stationery by Chronicle Books	\$0.220	7" x 10"
13	Wonder Woman fold and mail stationery by Chronicle Books	\$0.220	7" x 10"
14*	Superman fold and mail stationery by Chronicle Books	\$0.220	7" x 10"
Average unit retail price of sample of stationery		\$1.115	

**Sample of Postcards**

<b>No.</b>	<b>Description</b>	<b>Unit Retail Price</b>	<b>Dimensions</b>
1*	Natural Wonders postcard by Cavallini & Co.	\$0.831	3 3/4" x 5 3/4"
2	Greetings from Virginia (oversized) postcard by Shin Sung Souvenir Co.	\$0.600	5" x 7"
3	National Mall postcard by L.B. Prince Co.	\$0.458	5" x 6 1/2"
4	Greetings from Virginia (regular) postcard by Shin Sung Souvenir Co.	\$0.400	4 1/8" x 6 7/8"
5	Washington, D.C. postcard by L.B. Prince Co.	\$0.199	3 1/2" x 7 3/4"
Average Unit Retail Price of sample of postcards		\$0.498	

Note: All samples were supplied by USPS Stamp Services in December 2006 with the exception of those annotated with an asterisk that were part of my personal collection.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-5. Please confirm that the Premium Postal Stationery currently sells for \$0.8558 per sheet (\$14.95 for 12 sheets less \$4.68 postage). If you do not confirm, please explain.

RESPONSE:

Confirmed.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-6. Please provide the cost coverage (without postage) for the Garden Bouquet Premium Stamped Stationery at the current rate of \$14.95 for a package of 12 cards. Please show your calculations.

RESPONSE:

Given the unit price of Garden Bouquet Stationery per sheet (without postage) of \$0.8558 and the total approximated unit cost range (without postage), as explained on pages 5-6 of my testimony, of \$0.36 ( $\$0.36 + \$0.00135 + \$0.0002$ ) to \$0.41 ( $\$0.36 + \$0.00207 + \$0.0515$ ), the resulting approximated cost coverage range would be from 209 percent ( $\$0.8558 \div \$0.41$ ) to 238 percent ( $\$0.8558 \div \$0.36$ ).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-7. Please provide the cost coverage (without postage) for the Garden Bouquet Premium Stamped Stationery if priced at the maximum proposed unit fee of 3 times the (1) current letter rate and (2) the Commission's Docket No. R2006-1 recommended letter rate. Please show your calculations.

RESPONSE:

(1) The resulting approximated cost coverage range for Garden Bouquet PSS (without postage) at 3 times the current letter rate of \$0.39 would be from 285 percent ( $\$1.17 \div \$0.41$ ) to 325 percent ( $\$1.17 \div \$0.36$ ).

(2) The resulting approximated cost coverage range for Garden Bouquet PSS (without postage) at 3 times the recommended Docket No. R2006-1 letter rate of \$0.41 would be from 300 percent ( $\$1.23 \div \$0.41$ ) to 342 percent ( $\$1.23 \div \$0.36$ ).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-8. Please provide the cost coverage (without postage) for the Disney Friendship Premium Stamped Stationery at the current rate of \$14.95 for a package of 12 cards. Please show your calculations.

RESPONSE:

Given the unit price of Disney Friendship PSS per sheet (without postage) of \$0.8558, and the total approximated unit cost range (without postage) of \$0.22 to \$0.27 (which consists of printing and packaging costs (shown on the attachment) of \$2.63 per pad, or \$0.22 per sheet, plus the proxy cost ranges given on page 6 my testimony), the resulting approximated cost coverage range would be from 317 percent ( $\$0.8558 \div \$0.27$ ) to 389 percent ( $\$0.8558 \div \$0.22$ ).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-9. Please provide the cost coverage (without postage) for the Disney Friendship Premium Stamped Stationery if priced at the maximum proposed unit fee of 3 times the (1) current letter rate and (2) the Commission's Docket No. R2006-1 recommended letter rate. Please show your calculations.

RESPONSE:

(1) The resulting approximated cost coverage range for Disney Friendship PSS (without postage) at 3 times the current letter rate of \$0.39 would be from 433 percent ( $\$1.17 \div \$0.27$ ) to 532 percent ( $\$1.17 \div \$0.22$ ).

(2) The resulting approximated cost coverage range for Garden Bouquet PSS (without postage) at 3 times the recommended Docket No. R2006-1 letter rate of \$0.41 would be from 456 percent ( $\$1.23 \div \$0.27$ ) to 559 percent ( $\$1.23 \div \$0.22$ ).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-10. Please confirm that the Art of Disney-Romance Premium Stamped Cards currently sell for \$0.2575 per card. (\$9.95 for a booklet of 20 cards less \$4.80 postage/20). If you do not confirm, please explain.

RESPONSE:

Confirmed.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-11. Please provide the cost coverage (without postage) for the Art of Disney-Romance Premium Stamped Cards sold at the current price of \$9.95 for 20 cards. Please show your calculations.

RESPONSE:

Given the unit price of Art of Disney-Romance PSC per card (without postage) of \$0.2575 and the total approximated unit cost range (without postage), as explained on pages 5-6 of my testimony, of \$0.14 ( $\$0.14 + \$0.00135 + \$0.0002$ ) to \$0.19 ( $\$0.14 + \$0.00207 + \$0.0515$ ), the resulting approximated cost coverage range would be from 136 percent ( $\$0.2575 \div \$0.19$ ) to 184 percent ( $\$0.2575 \div \$0.14$ ).



RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-12. Please provide the cost coverage (without postage) for the Art of Disney-Romance Premium Stamped Cards if priced at the maximum proposed unit fee of 3 times the (1) current card rate and (2) the Commission's Docket No. R2006-1 recommended card rate. Please show your calculations.

RESPONSE:

(1) The approximated cost coverage range for Art of Disney-Romance PSC (without postage) at 3 times the current card rate of \$0.24 would be from 379 percent ( $\$0.72 \div \$0.19$ ) to 514 percent ( $\$0.72 \div \$0.14$ ).

(2) The approximate cost coverage range for Art of Disney-Romance PSC (without postage) at 3 times the Commission's recommended Docket No. R2006-1 card rate of \$0.26 would be from 411 percent ( $\$0.78 \div \$0.19$ ) to 557 percent ( $\$0.78 \div \$0.14$ ).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-18. Is the cost to the Postal Service of the Disney Friendship stationery greater than the cost of the Garden Bouquet stationery? If so, please explain the cost differences.

RESPONSE:

No, based on the cost information available to me, and the calculations of approximated unit costs shown in my responses to OCA/USPS-T1-6 and 8.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-20. Please refer to your response to OCA/USPS-T1-6 wherein you calculated the cost coverage (without postage) for the Garden Bouquet Stationery.

- a. Inasmuch as the product is distributed and sold at the window in packages of 12 sheets, please confirm that the ranges of proxy unit costs that you included for distribution and mail processing and for window service costs as described on pages 5-6 of your testimony should be divided by the number of sheets per package, in this case twelve, to derive the unit cost per sheet. If you do not confirm, please explain.
- b. If an adjustment in the unit cost described above is necessary, please recalculate the cost coverage (without postage) at the current rate of \$14.95 for a package of 12 sheets. Please show your calculations.
- c. If you do confirm, please recalculate the cost coverage (without postage) at your proposed maximum rate of three times the new \$0.41 letter rate. Please show your calculations.

RESPONSE:

- a. Confirmed.
- b. Given the unit price of Garden Bouquet PSS per sheet (without postage) of \$0.8558 and the total approximated unit cost (without postage) of \$0.36 ( $\$0.36 + (\text{proxy unit costs} \div 12)$ ), the resulting approximated cost coverage would be 238 percent ( $\$0.8558 \div 0.36$ ).
- c. The resulting approximated cost coverage for Garden Bouquet PSS (without postage) at 3 times the new \$0.41 letter rate would be 342 percent ( $\$1.23 \div \$0.36$ ).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-21. Please refer to your response to OCA/USPS-T1-8 wherein you calculated the cost coverage (without postage) for the Disney Friendship Premium Stamped Stationery.

- a. Inasmuch as the product is distributed and sold at the window in packages of 12 sheets, please confirm that the ranges of proxy unit costs that you included for distribution and mail processing and for window service costs as described on pages 5-6 of your testimony should be divided by the number of sheets per package, in this case twelve, to derive the unit cost per sheet. If you do not confirm, please explain.
- b. If an adjustment in the unit cost described above is necessary, please recalculate the cost coverage (without postage) at the current rate of \$14.95 for a package of 12 sheets. Please show your calculations.
- c. If you do confirm, please recalculate the cost coverage (without postage) at your proposed maximum rate of three times the new \$0.41 letter rate. Please show our calculations.

RESPONSE:

- a. Confirmed.
- b. Given the unit price of Disney Friendship PSS per sheet (without postage) of \$0.8558 and the total approximated unit cost (without postage) of \$0.22 ( $\$0.22 + (\text{proxy unit costs} \div 12)$ ), the resulting approximated cost coverage would be 389 percent ( $\$0.8558 \div 0.22$ ).
- c. The resulting approximated cost coverage for Disney Friendship PSS (without postage) at 3 times the new \$0.41 letter rate would be 559 percent ( $\$1.23 \div \$0.22$ ).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-22. Please refer to your response to OCA/USPS-T1-11 wherein you calculated the cost coverage (without postage) for the Art of Disney-Romance Premium Stamped Cards.

- a. Inasmuch as the product is distributed and sold at the window in packages of 20 cards, please confirm that the ranges of proxy unit costs that you included for distribution and mail processing and for window service costs as described on pages 5-6 of your testimony should be divided by the number of sheets per package, in this case twelve, to derive the unit cost per sheet. If you do not confirm, please explain.
- b. If an adjustment in the unit cost described above is necessary, please recalculate the cost coverage (without postage) at the current rate of \$14.95 for a package of 12 sheets.
- c. If you do confirm, please recalculate the cost coverage (without postage) at your proposed maximum rate of three times the new \$0.26 new card rate.

RESPONSE:

- a. Confirmed, if the question is meant to be read as, "in this case twenty..."
- b. Given the unit price of Art of Disney: Romance PSC per card (without postage) of \$0.2575 and the total approximated unit cost (without postage) of \$0.14 ( $\$0.14 + (\text{proxy unit costs} \div 20)$ ), the resulting approximated cost coverage would be 184 percent ( $\$0.2575 \div 0.14$ ).
- c. The resulting approximated cost coverage for Art of Disney: Romance PSC (without postage) at 3 times the new \$0.26 card rate would be 557 percent ( $\$0.78 \div \$0.14$ ).

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-23. Please explain how your proposed range of prices based upon a multiple of the First-Class rates for letters or cards properly relates prices to costs.

RESPONSE:

As I explained in my testimony at page 5, "the multipliers were chosen to result in a range of fees ... that are comparable to the ranges in market prices of commercially available products that might serve as substitutes for the stationery and cards if they were not stamped." Then, as I explained on pages 5-6, based on the information available to me and on proxies from Docket No. R2006-1, I calculated approximated costs for one PSS issuance and for one PSC issuance to determine whether the ranges met the statutory requirement to cover attributable costs and contribute to other costs, which they did. I then calculated approximated cost coverages as a way to assess the potential magnitude of the contribution. I did not use the traditional approach of developing rates by applying a markup to unit costs for several reasons. First, I concur with the Commission's suggestion regarding novel pricing approaches to be appropriate for a premium specialty product. Designing a range of prices will allow the Postal Service to test different price points to measure customer response. Second, I do not have comprehensive cost information for these specific products; however, the products will adequately cover estimated costs across this range of prices. Finally, basing prices on comparable products and on expected demand is consistent with the pricing approach that has been used for these products since the inception of the program.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-24. Please provide your view as to whether a price range of between 150 percent and 250 percent of costs would provide a more appropriate pricing mechanism than one based upon a multiple of the First-Class rates.

RESPONSE:

Based on the reasons given in my response to OCA/USPS-T1-23, I do not think that approach is more appropriate for these products.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-27. Please refer to your response to OCA/USPS-T1-23 in which you explained how the proposed range of prices for the premium products relate prices to costs. You indicated that you chose multiples of First-Class rates "that are comparable to the ranges in market prices of commercially available products that might serve as substitutes for the stationery and cards if they were not stamped." Even though your solution is novel, and you lack comprehensive cost information, please confirm that you do not have any evidence that the range of prices selected, or any other range for that matter, to recover the costs of the stationery products bears a relationship, other than coincidence, to the postage price of First-Class letters and cards.

RESPONSE:

Not confirmed. I specifically designed the range of prices to be based on First-Class Mail rates, so the relationship of the range to the rates is not coincidental, but intentional. The range was designed to best reflect the range of prices of comparable products in the private market and to more than cover identifiable costs. Please see my response to OCA/USPS-T1-23.



RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-28. Please confirm that a novel pricing approach for a premium specialty product is not necessarily appropriate, and is probably inappropriate, if there is no underlying fundamental relationship between the proxy used (in this case the prices of First-Class stamps and cards) and the prices established using that proxy.

RESPONSE:

Not confirmed. Please see my response to OCA/USPS-T1-27.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS YEH  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-29. Please describe any other alternative novel approaches to pricing these premium products you have considered in which there is a nexus between the costs of the product and the price established. If you did consider such other approaches, please explain your reasons for rejecting them.

RESPONSE:

None.

**MC2006-7**

**United States Postal Service**

**Institutional**

REVISED RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-1 Please provide a listing of all of the Premium Stamped Stationery and Premium Stamped Cards that have been issued by the United States Postal Service since 1971. This listing should contain the following data fields as a minimum [the term package is defined at the item that was normally sold to the public and for most of the Premium Stamped Cards was 20]:

- [a] Date of Issue
- [b] Description of the Issue
- [c] Number of different designs in the sale package
- [d] Number of items in the package that was sold to the public
- [e] Public selling price for the package
- [f] Value of the postage stamp on each piece
- [g] Number of packages printed
- [h] Number of packages sold
- [i] Number of packages that were sold at the Stamp Fulfillment Services [or its predecessor] in Kansas City

RESPONSE:

Please see the chart below, which contains the data requested to the extent available.

a	b	c	d	e	f	g	h	i
Date of Issue	Description	No. of Designs	No. of Items	Selling Price	Value of Unit Postage	No. Printed	No. Sold	No. Sold SFS
<b>2006</b>								
15-Jul	Baseball Sluggers	4	20	\$9.95	24¢	30,000	10,045	6,753
20-Jul	DC Super Heroes	20	20	\$9.95	24¢	30,000	19,137	13,545
21-Apr	Disney Romance	4	20	\$9.95	24¢	30,000	9,913	6,951
4-Oct	Southern Florida Wetland	1	10	\$7.95	39¢	10,000	7,868	6,544
<b>2005</b>								
30-Jun	Disney Celebration	4	20	\$9.75	24¢	30,000	20,727	11,377
20-Aug	50s Sporty Cars	5	20	\$9.75	24¢	35,000	16,157	8,154
17-Sep	Let's Dance	4	20	\$9.75	24¢	30,000	10,917	7,003
<b>2004</b>								
4-Oct	Cloudscapes	15	20	\$9.75	23¢	45,000	30,981	15,189
23-Jun	Disney Friendship	4	20	\$9.75	23¢	68,000	36,995	16,953
21-Aug	Art of the American Indian	10	20	\$9.75	23¢	35,000	22,667	9,174
	<b>TOTAL SOLD</b>						185,407	101,643
<b>2003</b>								
3-Apr	Old Glory	5	20	\$9.75	23¢	50,000		
23-Oct	Holiday: Music Makers	4	20	\$9.75	23¢	50,000		
13-Jun	Southeastern Lighthouses	5	20	\$9.75	23¢	55,000		

REVISED RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

a	b	c	d	e	f	g	h	i
Date of Issue	Description	No. of Designs	No. of Items	Selling Price	Value of Unit Postage	No. Printed	No. Sold	No. Sold SFS
<b>2002</b>								
28-Oct	Holiday: Snowmen	4	20	\$9.75	23¢	50,000		
15-Aug	Teddy Bears	4	20	\$9.75	23¢	50,000		
<b>2001</b>								
27-Jun	Legendary Playing Fields	10	10	\$6.95	21¢	75,000		
10-Oct	Holiday: Santas	4	20	\$9.25	21¢	100,000		
1-Oct	That's All Folks	1	20	\$5.95	20¢	100,000		
<b>2000</b>								
6-Jul	Legends of Baseball	20	20	\$8.95	20¢			
12-Oct	Holiday: Deer	4	20	\$8.95	20¢			
26-Apr	Road Runner/Wilie E. Coyote	1	10	\$6.95	20¢			
10-May	Adoption	1	10	\$6.95	20¢			
14-Jun	Stars and Strips	20	20	\$8.95	20¢			
<b>1999</b>								
28-Jan	Victorian-Love	1	20	\$6.95	20¢			
16-Apr	Daffy Duck	1	20	\$6.95	20¢			
26-Aug	Trains	5	20	\$6.95	20¢			
<b>1998</b>								
16-Sep	Ballet	1	10	\$5.95	20¢			
28-Jul	Tropical Birds	4	20	\$6.95	20¢			
27-Apr	Sylvester and Tweety	1	20	\$5.95	20¢			
<b>1997</b>								
30-Sep	Classic Movie Monsters	5	20	\$5.95	20¢			
4-Feb	Love Variety	12	12	\$6.95	20¢			
<b>1996</b>								
2-Oct	Endangered Species	15	15	\$11.95	20¢			
2-May	Centennial Olympic Games	20	20	\$12.95	20¢			
<b>1995</b>								
29-Jun	Civil War	20	20	\$7.95	20¢			
1-Oct	Comic Strip Characters	20	20	\$7.95	20¢			
<b>1994</b>								
18-Oct	Legends of the West	20	20	\$7.95	19¢			

REVISED RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

a	b	c	d	e	f	g	h	i
Date of Issue	Description	No. of Designs	No. of Items	Selling Price	Value of Unit Postage	No. Printed	No. Sold	No. Sold SFS
	<b>Premium Stamped Stationery</b>							
<b>2005</b>								
3-Mar	Garden Bouquet	1	12	\$14.95	37¢	30,000	10,990	5,939
<b>2004</b>								
23-Jun	Disney Friendship	4	12	\$14.95	37¢	40,000	17,037	10,718
	<b>TOTAL SOLD</b>						28,027	16,657

DBP/USPS-2 Please provide a listing of any postal stationery or stamped cards that have been issued since 1971 and which were sold at the standard price for that category of stationery but which contain designs or imprinting other than the actual stamp or copyright notice. Please provide images of the item.

RESPONSE:

None. The only two issuances of stamped stationery were Disney and Garden Bouquet. With regard to stamped cards, it appears that none were sold at the "standard price" that contained additional designs or images. There were, however, stamped cards predating the current program containing designs or images that were sold for a premium above the postage. (The "standard" fee for stamped cards was not established until implementation of Docket No. R97-1.) Unlike the current program, the postage indicia on the cards listed below did not feature designs from actual, separately issued postage stamps, but were simply an image related to the theme of the card.

The following issuances have been identified:

1989: The White House – denominated 15¢; sold for 50¢

Jefferson Memorial – denominated 15¢; sold for 50¢

1990: Constitution Hall – denominated 15¢; sold for 50¢

Fur Traders Descending the Missouri – denominated 15¢; sold for 50¢

1992: America's Cup – denominated 19¢; sold for 50¢

1993: Opening of Holocaust Memorial Museum – denominated 19¢; sold for 50¢

Images of the indicia may be found in a standard reference, such as Scott's 2007 Specialized Catalog of U.S. Stamps and Covers (pages 506 through 508).

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-3                      Please advise all instances where the public selling price for Premium Stamped Stationery and/or Premium Stamped Cards has changed for any single issue. Please provide the full details and the reason or reasons why the price was changed.

RESPONSE:

None. (The apparent change in price for Stamped Stationery that appeared at one point on the website was an error and has been corrected.)



RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-4 Please refer to the data that was provided in response to Interrogatory DBP/USPS-1 subparts g and h.

[a] Please confirm that if the entry in subpart g is greater than the entry in subpart h it would indicate packages that were printed but not sold.

[b] Please advise what use was made of the unsold packages.

[c] Please discuss how the cost of printing the unsold packages is/was factored into the cost data.

RESPONSE:

(a) Confirmed that if the number printed is greater than the number sold, it would indicate packages that were printed but not sold.

(b) As with all postage stamps, unsold PSS and PSC items are sent for destruction following their off-sale date.

(c) The printing costs are for the total items printed, regardless of whether they were eventually sold or not.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-5 Please confirm, or explain if you are unable to confirm, that there were no Premium Stamped Stationery and Premium Stamped Cards that were issued prior to 1971.

RESPONSE:

The current PSC program (which predates PSS) began in 1994, as shown in the response to DBP/USPS-1. No available information indicates the existence of any similar products prior to 1971, although it is not possible to unequivocally confirm or not confirm.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-6  
determined.

Please discuss how the number of packages to be printed is

RESPONSE:

The main consideration is to print sufficient quantities to distribute at least a minimum number to all retail outlets. Beyond that, quantities may be increased for issuances likely to generate additional demand.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-7      Please provide full details of any expenses that were incurred for any costs that required payment outside of the Postal Service other than the direct costs of printing and packaging of any of the Premium Stamped Stationery and Premium Stamped Cards that have been issued by the United States Postal Service since 1971. This would include, but is not limited to, payment for the use of copyrighted designs or subjects.

RESPONSE:

None.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-8 Please provide an estimate of the percentage of Premium Stamped Stationery and Premium Stamped Cards that are sold at each of the following places:

- [a] The Stamp Fulfillment Services [or its predecessor] in Kansas City
- [b] Philatelic windows
- [c] Standard retail sales window
- [d] Other locations [please specify]

RESPONSE:

The response to DBP/USPS-1 provides yearly sales figures broken down between Stamp Fulfillment Services and all other locations. There are no breakdowns for the field sales.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-9      Please describe the target market for the sale of the Premium Stamped Stationery. If it is different for the two versions that have been issued, please respond individually.

RESPONSE:

The Postal Service's issuance of Premium Stamped Stationery is intended to renew the general public's interest in using the Postal Service for personal correspondence.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-10 Please describe the target market for the sale of the Premium Stamped Cards. If there are different responses for different cards, please respond to each category of cards and indicate which cards are in each category.

RESPONSE:

The Postal Service's issuance of Premium Stamped Cards is intended to renew the general public's interest in using the Postal Service for personal correspondence.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-11      What percentage of each of the two versions of the Premium Stamped Stationery that have been sold to date does the Postal Service believe were mailed for other than philatelic purposes?

RESPONSE:

The Postal Service has no basis to determine whether or for what purpose customers mail Premium Stamped Stationery.



RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-12      What percentage of the various versions of the Premium Stamped Cards that have been sold to date does the Postal Service believe were mailed for other than philatelic purposes?

RESPONSE:

The Postal Service has no basis to determine whether or for what purpose customers mail Premium Stamped Cards.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-13      Please advise why large oversize Premium Stamped Cards were recently issued [as opposed to the normal size cards]?

RESPONSE:

That format was deemed more appropriate to display the artwork than standard sized cards.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-14      Please confirm, or explain if you are unable to confirm, that the selling price for these oversize cards would fall under the proposed rate for Premium Stamped Cards.

RESPONSE:

Confirmed that, under the proposal made in this docket, the fee for each such card would be set within the range proposed for Premium Stamped Cards. The selling price for the packet would also include the value of the imprinted First-Class Mail letter rate postage, since the oversized cards do not qualify for the card rate.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-15 Please discuss the extent to which the various Premium Stamped Stationery and Premium Stamps Cards have been designed to take into account the concept of being well designed from a mail processing standpoint.

RESPONSE:

Premium Stamped Stationery and Premium Stamped Cards are designed in consultation with Postal Service Engineering.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-16      Please discuss the ease by which a recipient of each of the two versions of the Premium Stamped Stationery will be able to readily open and read the mailpiece if it has been fully sealed by the mailer.

RESPONSE:

The ease by which a recipient of any Premium Stamped Stationery will be able to readily open and read the mailpiece if it has been fully sealed by the mailer should be comparable to the ease by which a recipient of any mailpiece that has been fully sealed by the mailer.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-17 [a] Has the Postal Service declared a moratorium on the issuance of any new versions of the Premium Stamped Stationery and/or Premium Stamped Cards until this Docket has been resolved?

[b] If not, why not?

RESPONSE:

As of now, no new Premium Stamped Stationery issuances have been planned. The Postal Service is planning new Premium Stamped Card issuances beginning in late May. In Orders No. 1475 and 1476, the Commission stated its intention not to disrupt the stamped stationery market, and therefore continued the status quo for an interim period to allow the Postal Service to file a Request. It would be illogical to conclude that the continuation of the status quo for stamped stationery ended at the filing of the Request, since that would be inconsistent with the Commission's intention not to disrupt the market pending a chance for resolution of this matter. Moreover, since the cards were not a subject of the complaint, the Commission's Orders do not explicitly apply to PSC, although the Postal Service has recognized the need for the instant docket to include both. The Postal Service is hopeful that the cooperation of the participants will allow the Commission to issue a recommended decision expeditiously.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-18 Please provide details of any complaints or other correspondence that has been received relating to the failure of a local postal facility not recognizing the postage validity of any of the previously issued Premium Stamped Stationery or Premium Stamped Cards.

RESPONSE:

The Postal Service has not received any such complaint or correspondence.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-19      Today's USPS News Link states the following:

MAILBAG

**Laura Froehlich, Hankins, NY:** I encourage letter writing among relatives by purchasing some of our wonderful philatelic products designed just for kids and giving them as gifts. Item#568087 *Lets Write A Letter* book, is great! It includes Mickey's book about writing and receiving letters, eight sheets of *Art of Disney* stationery with matching envelopes and eight *Art of Disney* postage stamps all for only \$14.95.

- [a] Please confirm, or explain if you are unable to confirm, that the matching envelopes do not have postage affixed and that the eight *Art of Disney* are the regular postage stamps that are/were available at most post offices throughout the country.
- [b] Please discuss the advantages and disadvantages of selling this type of product [which does not have any new variety of postage indicia] vs. the type of product that is the subject of this proceeding [which does have a new and separate variety of postage indicia].
- [c] Please fully explain why the Postal Service feels that it is necessary to issue the type of product that is the subject of this proceeding as opposed to the type that is referenced in the News Link article above.
- [d] Please either provide a complete listing of the articles that have been issued since Premium Stamped Stationery and Premium Stamped Cards have been issued that are similar to the item referenced in the News Link article above or provide a full discussion explaining the extent to which this and similar articles have been sold.

RESPONSE:

- (a) Confirmed.
- (b) The advantages to printing postage on the stationery/cards are that it results in a unique product and that it is more cost effective. It is more cost effective because, with stamped items, there is only one step from printing to distribution, whereas unstamped items require the intermediate step of being shipped to another vendor approved by the Postal Service/Inspection Service to include the stamps and finish the packaging.



RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

The disadvantage to printing postage on the stationery/cards is that the security printers that produce PSS and PSC require longer lead time for bid process and production.

(c) Please see the response to part (b).

(d) The following items were sold packaged with separate stamps:

- Wonders of America Postcard Fun Pack with stickers (for youth)
- Wonders of America Post Cards
- Wonders of America Coloring Postcards (for youth)
- Muppets Keep In Touch Stationery Kit (for youth)
- Santa's Smallest Helpers Story Book & Stationery Kit (for youth)
- Our Wedding Stationery Thank You Cards
- Our Wedding Stationery with Envelopes
- Our Wedding Stationery Noteworthy Bridal Set (thank you cards, and stationery with envelopes)
- Crops of the Americas Recipe Note Cards
- Holiday Cookies Planner with postcards

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-20 Please refer to your responses to Interrogatories DBP/USPS-1 and 2.

[a] Please indicate which of the listed items are still on sale at the Stamp Fulfillment Services in Kansas City.

[b] Please indicate which of the listed items are still on sale at local post offices throughout the country.

[c] Please indicate which of the listed items are still on sale at other venues. Please identify the venues.

RESPONSE:

a. The items currently on sale are: Baseball Sluggers; Disney Romance; Disney Celebration; and Disney Friendship.

b. On-sale Information for local post offices is available for those items issued after 2003 only. These are: Baseball Sluggers; Disney Romance; Disney Celebration; Disney Friendship; DC Super Heroes; Southern Florida Wetland; 50 Sporty Cars; Let's Dance; Cloudscapes; and Art of the American Indian.

c. No information on other venues is available.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-21**

[a] For each of the items that are still on sale or which do not represent a final figure, please indicate the date for which the numbers sold as provided in response to Interrogatory DBP/USPS-1. Please provide updated figures for number sold.

[b] For each of the items that are still on sale, please indicate whether the sale of the item has dropped off from the early sales period and attempt to quantify the sales levels.

**RESPONSE:**

a. The chart provided in response to DBP/USPS-1 reflected sales up to February 2007.

The chart below shows sales as of 3/30/07.

Date of Issue	Description	No. of Designs	No. of Items	Selling Price	Value of Postage	No. Printed	No. Sold as of 2/07	No. Sold SFS as of 2/07	Total Sold as of 3/30/07
15-Jul	Baseball Sluggers	4	20	\$9.95	24¢	30,000	10,045	6,753	11,472
20-Jul	DC Super Heroes	20	20	\$9.95	24¢	30,000	19,137	13,545	19,705
21-Apr	Disney Romance	4	20	\$9.95	24¢	30,000	9,913	6,951	10,593
4-Oct	Southern Florida Wetland	1	10	\$7.95	39¢	10,000	7,868	6,544	8,165
<b>2005</b>									
30-Jun	Disney Celebration	4	20	\$9.75	23¢	30,000	20,727	11,377	21,380
20-Aug	50s Sporty Cars	5	20	\$9.75	23¢	35,000	16,157	8,154	16,157
17-Sep	Let's Dance	4	20	\$9.75	23¢	30,000	10,917	7,003	11,126
<b>2004</b>									
4-Oct	Cloudscapes	15	20	\$9.75	23¢	45,000	30,981	15,189	30,984
23-Jun	Disney Friendship	4	20	\$9.75	23¢	68,000	36,995	16,953	37,434
21-Aug	Art of the American Indian	10	20	\$9.75	23¢	35,000	22,667	9,174	22,669
<b>2005</b>									
3-Mar	Garden Bouquet	1	12	\$14.95	37¢	30,000	10,990	5,939	11,364
<b>2004</b>									
23-Jun	Disney Friendship	4	12	\$14.95	37¢	40,000	17,037	10,718	17,246

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

b. Yes., As expected, sales are likely to drop off the longer a product remains on sale.

No further information is available to quantify this.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-22      Please refer to your response to Interrogatory DBP/USPS-1 and confirm that the postage value for cards sold during 2005 was 23¢ and not 24¢.

RESPONSE:

Confirmed. The 2005 card values should be 23 cents not 24 cents. The correction is reflected in the table provided in response to DBP/USPS-21.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-23 I understand that the 2006 Florida Wetland cards are sold out at the Stamp Fulfillment Services in Kansas City. The data provided in response to Interrogatory DBP/USPS-1 shows some 22132 units or 73.8% unsold. Please explain.

RESPONSE:

The print quantity originally shown was an error. It was actually 10,000. The correction is reflected in the table provided in response to DBP/USPS-21.

**RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN**

**DBP/USPS-24** Please refer to the following chart that was prepared using the data that was provided in response to Interrogatory DBP/USPS-1.

Please confirm, or explain if you are not able to confirm, each of the following [please discuss each of the items as to the justification which allowed the price that was charged]

[a] Nine of the cards were sold for less than the minimum proposed price of 1 times the stamped card rate [a percent in the last column of less than 100%].

[b] Only eight of the cards were sold for more than 123.75 percent of the stamped card rate.

[c] Three of the cards have been sold for as little as 48.75 percent of the stamped card rate.

	UNIT POSTAGE	NUMBER OF ITEMS	TOTAL POSTAGE	SELLING PRICE	TOTAL COST OF ITEMS WITHOUT POSTAGE	COST OF A SINGLE ITEM WITHOUT POSTAGE	PERCENT OF THE COST OF A STAMPED CARD
<b>2006</b>							
Baseball	\$0.24	20	\$4.80	\$9.95	\$5.15	\$0.2575	107.29%
Super Heroes	\$0.24	20	\$4.80	\$9.95	\$5.15	\$0.2575	107.29%
Disney	\$0.24	20	\$4.80	\$9.95	\$5.15	\$0.2575	107.29%
Fla. Wetland	\$0.39	10	\$3.90	\$7.95	\$4.05	\$0.4050	168.75%
<b>2005</b>							
Disney	\$0.23	20	\$4.60	\$9.75	\$5.15	\$0.2575	111.96%
Sporty Cars	\$0.23	20	\$4.60	\$9.75	\$5.15	\$0.2575	111.96%
Let's Dance	\$0.23	20	\$4.60	\$9.75	\$5.15	\$0.2575	111.96%
<b>2004</b>							
Cloudscapes	\$0.23	20	\$4.60	\$9.75	\$5.15	\$0.2575	111.96%
Disney	\$0.23	20	\$4.60	\$9.75	\$5.15	\$0.2575	111.96%
American Indian	\$0.23	20	\$4.60	\$9.75	\$5.15	\$0.2575	111.96%
<b>2003</b>							
Old Glory	\$0.23	20	\$4.60	\$9.75	\$5.15	\$0.2575	111.96%
Music Makers	\$0.23	20	\$4.60	\$9.75	\$5.15	\$0.2575	111.96%
SE Lighthouses	\$0.23	20	\$4.60	\$9.75	\$5.15	\$0.2575	111.96%
<b>2002</b>							
Snowmen	\$0.23	20	\$4.60	\$9.75	\$5.15	\$0.2575	111.96%
Teddy Bears	\$0.23	20	\$4.60	\$9.75	\$5.15	\$0.2575	111.96%
<b>2001</b>							
Playing Fields	\$0.21	10	\$2.10	\$6.95	\$4.85	\$0.4850	230.95%
Santas	\$0.21	20	\$4.20	\$9.25	\$5.05	\$0.2525	120.24%
That's All Folks	\$0.20	20	\$4.00	\$5.95	\$1.95	\$0.0975	48.75%
<b>2000</b>							
Baseball Legends	\$0.20	20	\$4.00	\$8.95	\$4.95	\$0.2475	123.75%
Deer	\$0.20	20	\$4.00	\$8.95	\$4.95	\$0.2475	123.75%

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Road Runner	\$0.20	10	\$2.00	\$6.95	\$4.95	\$0.4950	247.50%
Adoption	\$0.20	10	\$2.00	\$6.95	\$4.95	\$0.4950	247.50%
Stars and Stripes	\$0.20	20	\$4.00	\$8.95	\$4.95	\$0.2475	123.75%
<b>1999</b>							
Victorian-Love	\$0.20	20	\$4.00	\$6.95	\$2.95	\$0.1475	73.75%
Daffy Duck	\$0.20	20	\$4.00	\$6.95	\$2.95	\$0.1475	73.75%
Trains	\$0.20	20	\$4.00	\$6.95	\$2.95	\$0.1475	73.75%
<b>1998</b>							
Ballet	\$0.20	10	\$2.00	\$5.95	\$3.95	\$0.3950	197.50%
Tropical Birds	\$0.20	20	\$4.00	\$6.95	\$2.95	\$0.1475	73.75%
Sylvester/Tweety	\$0.20	20	\$4.00	\$5.95	\$1.95	\$0.0975	48.75%
<b>1997</b>							
Movie Monsters	\$0.20	20	\$4.00	\$5.95	\$1.95	\$0.0975	48.75%
Love Variety	\$0.20	12	\$2.40	\$6.95	\$4.55	\$0.3792	189.58%
<b>1996</b>							
Endangered Species	\$0.20	15	\$3.00	\$11.95	\$8.95	\$0.5967	298.33%
Olympic Games	\$0.20	20	\$4.00	\$12.95	\$8.95	\$0.4475	223.75%
<b>1995</b>							
Civil War	\$0.20	20	\$4.00	\$7.95	\$3.95	\$0.1975	98.75%
Comic Strip	\$0.20	20	\$4.00	\$7.95	\$3.95	\$0.1975	98.75%
<b>1994</b>							
Legends of West	\$0.19	20	\$3.80	\$7.95	\$4.15	\$0.2075	109.21%
<b>PREMIUM STAMPED STATIONERY</b>							
<b>2005</b>							
Garden Bouquet	\$0.37	12	\$4.44	\$14.95	\$10.51	\$0.8758	236.71%
<b>2004</b>							
Disney Friendship	\$0.37	12	\$4.44	\$14.95	\$10.51	\$0.8758	236.71%

RESPONSE:

- a. Confirmed.
- b. Confirmed.
- c. Confirmed and those issuances occurred in 1997, 1998, and 2001.



RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-25      Since all of the Premium Stamped Cards have sold for less than 2 times the stamped card rate, why is it necessary to ask for rates as high as 3 times the stamped card rate?

RESPONSE:

As stated in the testimony, the Commission identified "stamped stationery as a candidate for new, flexible pricing techniques" and urged the Postal Service to "explore such options." The proposal of a range of fees for PSS and PSC is an appropriate and novel pricing approach, however in order for this approach to offer the necessary and desired flexibility for the product, the size of the range should be sufficiently large. The proposed maximum of 3 times the card rate will accommodate the issuance of higher quality or special edition PSS or PSC.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-26 Please refer to your responses to Interrogatories DBP/USPS-1 and 2. Please explain why you are making a distinction between those cards sold between 1989 and 1993 which did not feature designs from actually, separately issued postage stamps and those that were sold from 1994 to date which did.

RESPONSE:

The referenced response provides the basis for the distinction, *i.e.*, a difference in the product, which preceded the current program, which began in 1994: "Unlike the current program, the postage indicia on the cards listed below did not feature designs from actual, separately issued postage stamps, but were simply an image related to the theme of the card."

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-27      Please refer to your responses to Interrogatory DBP/USPS-2.  
Please confirm, or explain if you are unable to confirm, that the cards issued between  
1989 and 1993 were all sold as single units and at a price of 50¢.

RESPONSE:

Confirmed.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-28 Please confirm, or explain if you are unable to confirm, that the Postal Service issued five Surface and Air Mail postal cards on June 29, 1972, such as those shown below with images besides the stamp and that they were sold for the face value of the stamp.

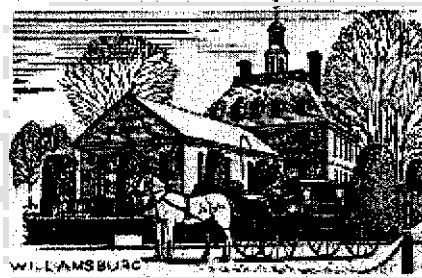
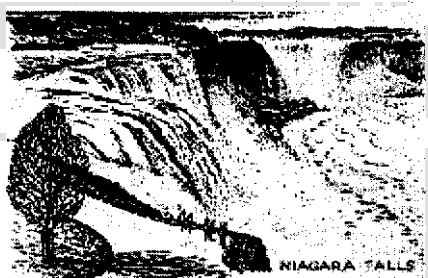
FRONT:



BACK:



TOURISM YEAR OF THE AMERICAS '72



RESPONSE:

Confirmed.

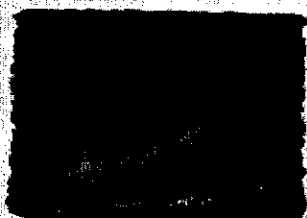
RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-29      Please confirm, or explain if you are unable to confirm, that the United States Postal Service has issued Air Letter sheets / Aerogrammes since 1947 such as those shown below and that these were all sold at the face value of the stamp.

*Voyageurs National Park, Minnesota*



USA 60



*Aerogramme Via Airmail Par Avion*

2.—Second fold

3.—Seal top flap last



5.—Seal top flap last

*Do not use tape or stickers to seal. No enclosures permitted*

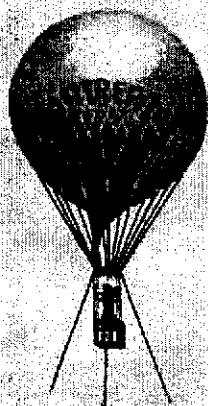
© USPS 1988

← 1.—Fold first at notches →

*Additional message areas:*



# Thaddeus Lowe (1832-1913) American balloonist



USPS 1995

AÉROGRAMME • VIA AIRMAIL • PAR AVION

**2** Second fold

**3** Seal top flap last



**3** Seal top flap last

Do not use tape or stickers to seal • No enclosures permitted

**1** Fold first at notches

Additional message area:

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

RESPONSE:

Confirmed.



RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-30 Please refer to your responses to Interrogatories DBP/USPS-9 and 10.

[a] Please confirm, or explain if you are unable to confirm, that if the price was reduced from the existing levels there would be increased use by the general public for personal correspondence.

[b] Please discuss the extent to which sales to philatelists entered into the decision to issue Premium Postal Stationery and/or Cards.

RESPONSE:

a. Not confirmed. The Postal Service is unaware of any studies that reveal the price elasticity of demand for PSS or PSC.

b. The products are designed to appeal to the general public; moreover, the Postal Service has no basis to determine for what purposes customers buy these products.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-31      Please refer to your response to Interrogatory DBP/USPS-14. Please confirm, or explain if you are unable to confirm, that had the proposed rates been in effect for the issuance of the Florida Wetland 2006 issue, it would have been sold for a minimum price of 62¢ each [39¢ postage plus 23¢ for one times the card rate] and a maximum price of \$1.08 each [39¢ postage plus 69¢ for three times the card rate].

RESPONSE:

Confirmed.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-40

[a] Please advise what consideration has been given to utilizing a Forever Stamp on any of the future Premium Stamped Stationery items.

[b] Please discuss the advantages and disadvantages that would occur by utilizing a Forever Stamp in lieu of a denominated stamp.

[c] Please confirm, or explain if you are unable to confirm, that once the price for a given PSS item has been determined utilizing the then current postage rates that its selling price will remain the same even if the postage rates change.

RESPONSE:

(a)-(b) Based on the request of the Chairman during the hearing last week, the Postal Service considered this idea, which had not been raised previously. While the concept certainly has merits in terms of customer convenience, the Postal Service would like to defer further consideration pending establishment of the requested classifications and more experience with the actual Forever Stamp, as explained below.

PSS and PSC are designed to promote and reflect commemorative stamp issuances, which are denominated; using a generic "Liberty Bell"-type stamp on PSS and PSC is not consistent with this purpose. Conversely, there might be confusion if certain commemorative stamp images were deemed to be "Forever" when imprinted on PSS and PSC, but not "Forever" when sold as stamps. The Forever Stamp has heretofore been intended solely to simplify the routine transaction of stamp purchasing, so its relation to specialized products needs to be considered carefully. Because there is so little experience with the Forever Stamp itself, it makes sense to gain some experience and knowledge before introducing additional complexity to it or to PSS/PSC. At this early juncture, there may be issues that cannot yet be identified and for which further experience with the basic Forever Stamp will be needed, before expanding it to other applications.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

(c) Confirmed that once the price has been set for a particular PSS or PSC issuance, the Postal Service does not intend to change it, given the logistical difficulty of identifying and physically re-marking the prices on relatively small numbers of items potentially scattered among tens of thousands of retail units.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-41

- [a] Please advise what consideration has been given to utilizing a Forever Stamp on any of the future Premium Stamped Card items.
- [b] Please discuss the advantages and disadvantages that would occur by utilizing a Forever Stamp in lieu of a denominated stamp.
- [c] Please confirm, or explain if you are unable to confirm, that once the price for a given PSC item has been determined utilizing the then current postage rates that its selling price will remain the same even if the postage rates change.
- [d] Please confirm, or explain if you are unable to confirm, that it would be necessary to change the DMCS to allow for a Forever Stamp at the card rate.

RESPONSE:

(a)-(c) Please see the response to DBP/USPS-40.

(d) Presumably, although the Postal Service has not yet addressed this legal question.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-42 Please confirm, or explain if you are unable to confirm, that if the Postal Service were to change the lower limit of the range for selling PSC or PSS items that that this could still result in all of the PSC and PSS items being sold for the same prices as they would have been without the reduction in the lower limit.

**RESPONSE:**

Under the proposed fee schedule, once the minimum fee is established, no items could be sold for less than that amount plus the value of the postage times the number of pieces in the set.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-43 Please refer to the chart that was provided in Interrogatory DBP/USPS-24 that was prepared using the data that was provided in response to Interrogatory DBP/USPS-1.

[a] Please explain why all of the Premium Stamped Cards that were sold in packages of 20 cards had a percent of the cost of a stamped card value that ranged from 48.75% to 123.75% while those that were sold in packages of less than 20 cards had a range of 168.75% to 298.33% with the exception of the Olympic Games PSC.

[b] Please provide the reasons for the Olympic Games PSC not falling in the range of all of the other similarly packaged PSC items.

RESPONSE:

Your question presumes that the prices were set by marking up attributable costs. As explained in several previous answers, this is not the case. Prices have been set primarily based on expected demand and the prices of near-substitutes in the private market. The prices are then verified against production, licensing, and any other identifiable costs to ensure those costs can be expected to be more than covered by the number expected to be sold.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-44 For any of the PSC or PSS items that are still on sale, has a date been set for removing that item from sale. If so, please provide details.

RESPONSE:

No.



RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-45 Please provide details for any of the proposed PSC or PSS items due for sale during the remainder of 2007 including, if available, the same data that was provided in the response to Interrogatory DBP/USPS-1.

RESPONSE:

No PSC or PSS issuances have been announced for 2007; announcements are made in the Postal Bulletin prior to the issue date.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-46      Please provide the production costs of all of the items that have been listed in response to Interrogatories DBP/USPS-1 and -2. If the information is not available, please provide estimates if available and explain why the information is not available or why an estimate had to be utilized rather than the actual data. Please provide copies of invoices/statements from the provider.

RESPONSE:

See attached for all available information.



MINNESOTA DIVERSIFIED INDUSTRIES, INC.

Remit to: P.O. Box 1521, Minneapolis, MN 55480-1521

Phone: 651-999-8289 Fax: 651-646-4215

INVOICE NUMBER	INVOICE DATE
09212006-0036-2	09/21/2006

CUSTOMER NO.	CUSTOMER PO NO.
10261	266351-01-T-0036

S  
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USPS - Collectibles  
Attn: Wanda Pratt  
1735 N Lynn Street Rm 5008  
Arlington, VA 22209-6432

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c/o MDI  
1700 Wynne Avenue  
St. Paul, MN 55108



TERMS	SHIPPING DATE	BILL OF LADING NO.	SHIPPED VIA	
Net 30				
QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL	

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

*Wanda S. Pratt*

Signature *Wanda S. Pratt*

Printed or typed name and title *Stamp Acquisition Spec*

*Wanda S. Pratt*

Postal facility *671470*

Finance number *2BRPSR-04-M-2893*

Order or contract number *52442*

Account number *9-21-06*

AKC (local payments) Date goods or services received *9-21-06*

Date certified for payment *9-21-06*

Date invoice received *703 292 5837*

Phone number

Comments:

Contract #266351-01-T-0036  
Delivery Order #2BRPSR-04-M-2893  
9/1/06-9/15/06

Sales Tax:

\$0.00

Please Pay this amount	\$6.092 98
Due by:	10/21/2006

## SECURITY PRODUCTS

444 Technology Court  
Arlington, VA 22209-6432

1-800-810-0100 FAX (703) 809-8834

INVOICE NO	INVOICE DATE
7445	08/07/06

7445

OLD  
TO:

Stamp Acquisition & Distribution  
United States Postal Service  
1735 North Lynn Street, Suite 5008  
Arlington, VA 22209-6432



Total Books Ordered 10,000  
Amount Shipped Previously 0  
Amount Shipped This Invoice 10,000  
Balance Books To Be Shipped 0

PURCHASE ORDER NUMBER	DATE ORDERED	PAYMENT DATE	SALESPERSON
2ASPRI-06-B-0011	06/02/06	09/06/06	
TERMS	NOTES		
Net 30	Contract No.		

REFERENCE	DESCRIPTION	AMOUNT
-----------	-------------	--------

Price

Nature of  
America:  
Southern  
Florida  
Wetlands  
Postal  
Cards

10,000 Booklets of 10 Shipped

Item # 00001

07/24/06

25

\$1.5053 each

\$37.63

Lot # 885300 (06) 7-24

07/26/06

100

\$150.53

Lot # 885300 (06) 7-25

08/02/06

9,875

\$14,864.84

Lot # 885300 (06) 7-25, 7-26

MESSAGE

I certify that goods or services described have been  
received and that the invoice is correct and proper for payment.

Signature

Printed or typed name and title

Postal facility

Finance number

Account number

Date goods or services received

Date certified for payment

Date invoice received

Phone number

SUBTOTAL  
SALES TAX  
SHIPPING

TOTAL

\$15,053.00

## T SECURITY PRODUCTS

4212-A Technology Court  
Charlottesville, VA 22911-1214

(703) 803-8880 FAX (703) 803-8884

INVOICE NO.	INVOICE DATE
7425	06/15/06

7425

SOLO  
TO:

Stamp Acquisition & Distribution  
United States Postal Service  
1735 North Lynn Street, Suite 5008  
Arlington, VA 22209-6432

**A**  
**JUN 2006**  
Received  
Stamp Acquisition  
and Distribution

Total Books Ordered	30,000
Amount Shipped Previously	0
Amount Shipped This Invoice	17,753
Balance Books To Be Shipped	12,247

PURCHASE ORDER NUMBER	DATE ORDERED	PAYMENT DATE	SALESPERSON
2ASPRI-06-B-0010	05/01/06	07/15/06	
TERMS	NOTES		
Net 30	Contract No.		

REFERENCE	DESCRIPTION	AMOUNT
DC Comics Super Heroes Postal Cards	17,753 Booklets of 20 Shipped	
	Item # 00001	
	06/05/06 25 \$2.18 each	\$54.50
	Lot # 895500 (06) 6-5	
	06/06/06 11,100	\$24,198.00
	Lot # 895500 (06) 6-5	
	06/12/06 6,628	\$14,449.04
	Lot # 895500 (06) 6-5, 6-7	
SUBTOTAL		
SALES TAX		
SHIPPING		
TOTAL		\$38,701.54

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

Signature: *[Signature]*  
Date: *6-14-06*  
Finance number: *52241*  
Account number: *61904*  
Date goods or services received: *6-17-06*  
Date invoice received: *6-24-06*  
Lot typed name and like: *211SPRI 06-5-0010*  
Lot number: *1104*  
Lot description: *(703) 242*

## ST SECURITY PRODUCTS

4212-A Technology Court  
Chantilly, VA 20151-1214

(703) 803-8880 FAX (703) 803-8884

INVOICE NO.	INVOICE DATE
7431	06/21/06

7431

SOLD  
TO:Stamp Acquisition & Distribution  
United States Postal Service  
1735 North Lynn Street, Suite 5008  
Arlington, VA 22209-6432

↑  
JUN 2006  
Received  
Stamp Acquisition  
and Distribution

Total Books Ordered 30,000  
Amount Shipped Previously 17,753  
Amount Shipped This Invoice 12,247  
Balance Books To Be Shipped 0

PURCHASE ORDER NUMBER	DATE ORDERED	PAYMENT DATE	SALESPERSON
2ASPRI-06-B-0010	05/01/06	07/21/06	
TERMS	NOTES		
Net 30	Contract No.		

REFERENCE	DESCRIPTION	AMOUNT
DC Comics Super Heroes Postal Cards	12,247 Booklets of 20 Shipped  Item # 00001 06/13/06 8,647 \$2.18 each \$18,850.46 Lot # 895500 (06) 6-5, 6-7 06/14/06 3,080 \$6,714.40 Lot # 895500 (06) 6-5, 6-7 06/15/06 520 \$1,133.60 Lot # 895500 (06) 6-5, 6-7	
MESSAGE:	<p>I certify that goods or services described have been received and that the invoice is correct and proper for payment.</p> <p>Signature: <i>[Signature]</i> Printed or typed name and title: <i>[Name]</i> Postal facility: <i>118215</i> Order or contract number: <i>245221 06-13-0610</i> A/C (local payments): <i>6-21-06</i> Date certified for payment: <i>6-21-06</i> Data invoice received: <i>(103) 242-3884</i> Phone number: <i>6-21-06</i></p>	<p>SUBTOTAL SALES TAX SHIPPING TOTAL \$26,698.46</p>



## MINNESOTA DIVERSIFIED INDUSTRIES, INC.

Remit to: P.O. Box 1521, Minneapolis, MN 55480-1521

Phone: 651-999-8289 Fax: 651-646-4215

INVOICE NUMBER	INVOICE DATE
INV053106-0036-WP	05/31/2006

CUSTOMER NO.	CUSTOMER PO NO.
10261	266351-01-T-0036

S  
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USPS - Collectibles  
Wanda Pratt  
1735 N Lynn Street  
Arlington, VA 22209-6432

S  
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MDI  
1700 Wynne Avenue  
St. Paul, MN 55108



TERMS	SHIPPING DATE	BILL OF LADING NO.	SHIPPED VIA	
Net 30				
QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL	

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

*Wanda Pratt*  
Signature

*Wanda Pratt*  
Printed or typed name and title

*14912*  
Postal facility

*66-0902*  
Finance number

*266351-01-T-0036*  
Order or contract number

*52442*  
Account number

*6-2-06*  
A/C (local payments)

*6-2-06*  
Date goods or services received

*6-2-06*  
Date certified for payment

*6-2-06*  
Date invoice received

*651-999-8289*  
Phone number

Comments:

Contract #266351-01-T-0036  
5/1/06-5/31/06

Sales Tax:

\$0.00

Please Pay this amount	\$52,874.91
Due by:	06/30/2006

SECURITY PRINTERS  
ASHTON POTTER

## INVOICE 02273

ASHTON-POTTER (USA) LTD.

U.S. POSTAL SERVICE

CONTRACT # 2-ASPRI-03-Q-4350

ORDER # 2-ASPRI-06-B-0002

## INVOICE

MANAGER, STAMP ACQUISITION BRANCH  
United States Postal Service  
1735 North Lynn Street, 5th Floor Rm 5008  
Arlington, VA 22209-6432  
Attn: Mr. Lawrence L. Lum II

Lot # 885200-6  
Delivery Date: 04/20/06

Invoice: 2273

Date: April 25, 2006

Terms: Net thirty (30) days

<u>QUANTITY</u>	<u>DESCRIPTION and SPECIFICATIONS</u>	<u>TOTAL PRICE</u>
11,500	USPS - Art of Disney-Romance Stamped Postal Card Booklet (Bk of 20)	
	Price - \$2.26 per booklet	\$ 25,990.00
		<u>\$ 25,990.00</u>

*[Handwritten notes and signatures]*

11,500  
USPS - Art of Disney-Romance Stamped  
Postal Card Booklet (Bk of 20)  
Price - \$2.26 per booklet  
\$ 25,990.00



SECURITY PRINTERS

ASHTON POTTER

INVOICE 02295

ASHTON-POTTER (USA) LTD.

U.S. POSTAL SERVICE

CONTRACT # 2-ASPRI-03-Q-4350

ORDER # 2-ASPRI-06-B-0004

## INVOICE

MANAGER, STAMP ACQUISITION BRANCH  
 United States Postal Service  
 1735 North Lynn Street, 5th Floor Rm 5008  
 Arlington, VA 22209-6432  
 Attn: Mr. Lawrence L. Lum II

Lot # 895600-3  
 Delivery Date: 05/16/06

Invoice: 2295  
 Date: May 24, 2006  
 Terms: Net thirty (30) days

<u>QUANTITY</u>	<u>DESCRIPTION and SPECIFICATIONS</u>	<u>TOTAL PRICE</u>
17,100	USPS - Baseball Sluggers Stamped Postal Card Booklet (Bk of 20)	
	Price - \$2.21 per booklet	\$ 37,791.00
		<u>\$ 37,791.00</u>

I certify that the goods and services listed above have been received and that the bill is correct and proper for payment.

Signature: *AS Ferrar*  
 Printed or typed name and title: *AS Ferrar*  
 Date: *6-7-14-70*

Post office: *HQTS*

Post office: *67-1470*

Finance number: *52441*

Order or contract number: *ASPRI-06-B-0004*

Account number: *577106*

Alt (local payments) Date goods or services received: *5/31/06*

Date certified for payment: *5/31/06*

Date invoice received: *5/31/06*

Phone number: *203/292-5844*

Phone number: *203/292-5844*

Phone number: *203/292-5844*

Phone number: *203/292-5844*

Phone number: *203/292-5844*

Phone number: *203/292-5844*

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Phone number: *203/292-5844*

Phone number: *203/292-5844*

SECURITY PRINTERS  
**ASHTON POTTER**

**INVOICE 02294**

**ASHTON-POTTER (USA) LTD.**

U.S. POSTAL SERVICE

CONTRACT # 2-ASPRI-03-Q-4350

ORDER # 2-ASPRI-06-B-0004

**MAY 2006**  
Received  
Stamp Acquisition  
and Distribution

**INVOICE**

MANAGER, STAMP ACQUISITION BRANCH  
United States Postal Service  
1735 North Lynn Street, 5th Floor Rm 5008  
Arlington, VA 22209-6432  
Attn: Mr. Lawrence L. Lum II

Lot # 895600-2  
Delivery Date: 05/09/06

Invoice: 2294  
Date: May 11, 2006  
Terms: Net thirty (30) days

<u>QUANTITY</u>	<u>DESCRIPTION and SPECIFICATIONS</u>	<u>TOTAL PRICE</u>
12,875	USPS - Baseball Sluggers Stamped Postal Card Booklet (Bk of 20)	
	Price - \$2.21 per booklet	\$ 28,453.75
		<u>\$ 28,453.75</u>

Unrecorded have been  
proper for payment.

Signature  
D. Ferraro - Phil Spec.

Printed or typed name and title  
HOL

Finance number  
67-1470

Order or contract number  
5-17-06

Account number  
5-17-06

Date goods or services received  
5-17-06

Date invoice received  
5-17-06

Date certified for payment  
5-17-06

Phone number  
716-633-2000

Address  
1735 North Lynn Street, 5th Floor Rm 5008  
Arlington, VA 22209-6432

City  
Arlington

State  
VA

Zip  
22209-6432

Country  
USA

Telephone  
716-633-2000

Fax  
716-633-2000

E-mail  
aspri@ashton-potter.com

Website  
www.ashton-potter.com

Bank  
Bank of America

Account  
1234567890

Branch  
New York

SECURITY PRINTERS  
ASHTON POTTER

INVOICE 02293

ASHTON-POTTER (USA) LTD.

U.S. POSTAL SERVICE

CONTRACT # 2-ASPRI-03-Q-4350

ORDER # 2-ASPRI-06-B-0004

INVOICE

MANAGER, STAMP ACQUISITION BRANCH  
United States Postal Service  
1735 North Lynn Street, 5th Floor Rm 5008  
Arlington, VA 22209-6432  
Attn: Mr. Lawrence L. Lum II

Lot # 895600-1  
Delivery Date: 05/09/06

▲  
MAY 2008  
Received  
Stamp Acquisition  
and Distribution

Invoice: 2293  
Date: May 11, 2006  
Terms: Net thirty (30) days

QUANTITY	DESCRIPTION and SPECIFICATIONS	TOTAL PRICE
25	USPS - Baseball Sluggers Stamped Postal Card Booklet (Bk of 20)	
	Price - \$2.21 per booklet	\$ 55.25
		<u>\$ 55.25</u>

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

Signature

Printed or typed name and title

Postal facility

Finance number

Order or contract number

Account number

AG (local payments) Date goods or services received

Date certified for payment

Date invoice received

Phone number

**ASHTON  
POTTER**  
SECURITY PRINTERS

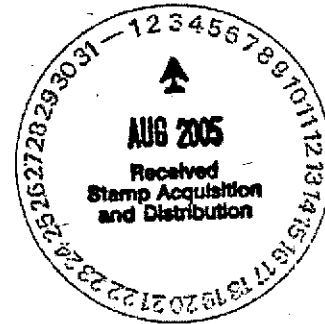
**INVOICE 01978**

**ASHTON-POTTER (USA) LTD.**

U.S. POSTAL SERVICE

CONTRACT # 2ASPRI-03-Q-4350

ORDER # 2ASPRI-05-B-3018



**INVOICE**

MANAGER, STAMP ACQUISITION BRANCH  
United States Postal Service  
475 L'Enfant Plaza SW, Room 5800  
Washington, DC 20260-2436  
Attn: Mr. Lawrence L. Lum II

Lot # 980800-5  
Delivery Date: 07/27/05

Invoice: 1978  
Date: July 29, 2005  
Terms: Net thirty (30) days

<u>QUANTITY</u>	<u>DESCRIPTION and SPECIFICATIONS</u>	<u>TOTAL PRICE</u>
25	USPS - Let's Dance/Latino Bailemos Stamped Postal Card Booklet - Book of 20 Reprint	
	3 per booklet	\$ 40.75
		<u>\$ 40.75</u>

I certify that goods or services described herein have been received and that the invoice is correct and proper for payment.

*Signature of Lawrence L. Lum II*  
Lawrence L. Lum II  
Stamp Spec.

Printed or typed name and title  
L. Lum II  
67-1470

Postal facility  
Finance number  
2ASPRI-05-B-3018 5-2441

Order or contract number  
Account number  
0/3/05

Net (local payments) Date goods or services received  
8/3/05 8/3/05

Date certified for payment Date invoice received  
7/03/292.3884

Phone number

USA - 10 CANTWRIGHT DRIVE, WILLIAMSVILLE, NEW YORK 14221-7072  
Canada - 5485 TOMKEN ROAD, MISSISSAUGA, ONTARIO L4W 3Y3

Tel (716) 633-3000 • Fax (716) 633-2325  
Tel (905) 675-1010 • Fax (905) 675-1011

**ASHTON  
POTTER**  
SECURITY PRINTERS

**INVOICE 01981**

**ASHTON-POTTER (USA) LTD.**

**U.S. POSTAL SERVICE**

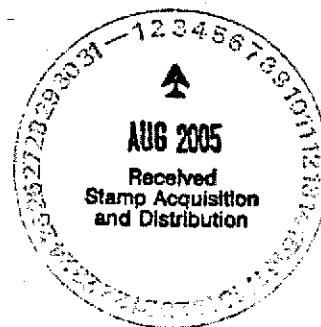
**CONTRACT # 2ASPRI-03-Q-4350**

**ORDER # 2ASPRI-05-B-3018**

**INVOICE**

MANAGER, STAMP ACQUISITION BRANCH  
United States Postal Service  
475 L'Enfant Plaza SW, Room 5800  
Washington, DC 20260-2436  
Attn: Mr. Lawrence L. Lum II

Lot # 980800-6  
Delivery Date: 07/27/05



Invoice: 1981  
Date: July 29, 2005  
Terms: Net thirty (30) days

**QUANTITY**

**DESCRIPTION and SPECIFICATIONS**

**TOTAL  
PRICE**

39,575

USPS - Let's Dance/Latino Bailemos Stamped  
Postal Card Booklet - Book of 20  
Reprint

\$ 64,507.25

I certify that goods or services described have been received and that this invoice is correct and proper for payment.

*Lawrence L. Lum II*  
Signature

*DSFerrara StampSpec*  
Printed or typed name and title

*HQTS*  
Facility

*67-1470*  
Finance number

*295PR-05-B-3018*  
Order or contract number

*52441*  
Account number

*8/3/05*  
Date goods or services received

*8/3/05*  
Date invoice received

*292-3884*  
Phone number

\$ 64,507.25

**ASHTON  
POTTER**  
SECURITY PRINTERS

**ASHTON-POTTER (USA) LTD.**

**INVOICE 01984**

**AUG 2005**

Received  
Stamp Acquisition  
and Distribution

**U.S. POSTAL SERVICE**

**CONTRACT # 2ASPRI-03-Q-4350**

**ORDER # 2ASPRI-05-B-3018**

**INVOICE**

MANAGER, STAMP ACQUISITION BRANCH  
United States Postal Service  
475 L'Enfant Plaza SW, Room 5800  
Washington, DC 20260-2436  
Attn: Mr. Lawrence L. Lum II

Lot # 980800-7  
Delivery Date: 07/28/05

Invoice: 1984  
Date: July 29, 2005  
Terms: Net thirty (30) days

<u>QUANTITY</u>	<u>DESCRIPTION and SPECIFICATIONS</u>	<u>TOTAL PRICE</u>
9,100	USPS - Let's Dance/Latino Bailemos Stamped Postal Card Booklet - Book of 20 Reprint	\$ 14,833.00
		<u>\$ 14,833.00</u>

I certify that goods or services described have been received and that this invoice is correct and proper for payment.

Signature: *Deborah A. Ferraro*  
Printed or typed name and title: *Deborah A. Ferraro Stamp Spec.*

Invoice number: *14915*  
Contract number: *67-1470*

Account number: *52441*  
Invoice number: *24522-05-B-3018*

Date goods or services received: *8/3/05*  
Date invoice received: *8/3/05*

Date certified for payment: *8/3/05*  
Phone number: *(703) 292-3884*

Address: *14915*  
City: *NEW YORK*  
State: *NY*  
Zip: *14221-7072*

Address: *14915*  
City: *MISSISSAUGA*  
State: *ONTARIO*  
Zip: *L4W 3Y3*

Tel (716) 633-2000 • Fax (716) 633-2525  
Tel (903) 623-1010 • Fax (903) 623-1011



INVOICE 01930

ASHTON-POTTER (USA) LTD.

U.S. POSTAL SERVICE

CONTRACT # 2ASPRI-03-Q-4350

ORDER # 2ASPRI-05-B-3013

## INVOICE

MANAGER, STAMP ACQUISITION BRANCH  
United States Postal Service  
475 L'Enfant Plaza SW, Room 5800  
Washington, DC 20260-2436  
Attn: Mr. Lawrence L. Lum II

Lot # 980700-4  
Delivery Date: 06/16/05

Invoice: 1930  
Date: June 20, 2005  
Terms: Net thirty (30) days

QUANTITY	DESCRIPTION and SPECIFICATIONS	TOTAL PRICE
5,600	USPS - The 50's Sporty Cars Stamped Postal Card Booklet - Book of 20	
	Price: 50 per booklet	\$ 8,400.00
		<u>\$ 8,400.00</u>

Described have been  
received and proper for payment.

*Ashton Potter*

Printed or typed name and title  
*Starrin Stamp Spec.*

Postal facility  
*HQ45*

Finance number  
*67-1470*

Order or contract number  
*2ASPRI-05-B-3013 52441*

Account number  
*6/21/05*

Date goods or services received  
*6/21/05*

Date invoice received  
*6/21/05*

Date certified for payment  
*6/21/05*

Phone number  
*(703) 292-3884*


**INVOICE 01925**
**ASHTON-POTTER (USA) LTD.**
**U.S. POSTAL SERVICE**
**CONTRACT # 2ASPRI-03-Q-4350**
**ORDER # 2ASPRI-05-B-3013**
**INVOICE**
**MANAGER, STAMP ACQUISITION BRANCH**

 United States Postal Service  
 475 L'Enfant Plaza SW, Room 5800  
 Washington, DC 20260-2436  
 Attn: Mr. Lawrence L. Lum II

Lot # 980700-3

Delivery Date: 06/15/05


 Invoice: 1925  
 Date: June 20, 2005  
 Terms: Net thirty (30) days

**QUANTITY**
**DESCRIPTION and SPECIFICATIONS**
**TOTAL  
PRICE**

5,400

 USPS - The 50's Sporty Cars Stamped  
 Postal Card Booklet - Book of 20

\$ 8,100.00

Printed or typed name and title	Finance number	Account number	Date goods or services received	Date invoice received
Esferreira, Stamp Spec.	67-1470	52441	6/21/05	6/21/05
Postal facility	Order or contract number	AC (local payments)	Date certified for payment	Phone number
11015	2ASPRI-05-B-3013	6/21/05	6/21/05	292-3884

\$ 8,100.00





# INVOICE 01919

## ASHTON-POTTER (USA) LTD.

### U.S. POSTAL SERVICE

### CONTRACT # 2ASPRI-03-Q-4350

### ORDER # 2ASPRI-05-B-3013

## INVOICE

**JUN 2005**  
Received  
Stamp Acquisition  
and Distribution

MANAGER, STAMP ACQUISITION BRANCH  
United States Postal Service  
475 L'Enfant Plaza SW, Room 5800  
Washington, DC 20260-2436  
Attn: Mr. Lawrence L. Lum II

Lot # 980700-2  
Delivery Date: 06/14/05

Invoice: 1919  
Date: June 20, 2005  
Terms: Net thirty (30) days

### QUANTITY

### DESCRIPTION and SPECIFICATIONS

### TOTAL PRICE

37,675

USPS - The 50's Sporty Cars Stamped  
Postal Card Booklet - Book of 20

\$ 56,512.50

\$ 56,512.50

Price - \$ 50 per booklet

Signature: *DS Ferrara*  
Printed or typed name and title: *Stamp Spec.*  
Postal facility: *HQTS*  
Finance number: *67-1470*  
Order or contract number: *2ASPRI-05-B-3013*  
Account number: *52441*  
Date goods or services received: *6/21/05*  
Date certified for payment: *6/21/05*  
Data invoice received: *6/21/05*  
Phone number: *(703) 292-3884*

USA - 10 CORTWRIGHT DRIVE, WILLIAMSVILLE, NEW YORK 14221-7072  
Canada - 3485 TOMKEN ROAD, MISSISSAUGA, (ONTARIO) L4W 3Y3

Tel (716) 633-2000 • Fax (716) 633-2325  
Tel (905) 675-1010 • Fax (905) 675-1011

Services described have been  
checked and are correct and proper for payment.

**ASHTON-POTTER (USA) LTD.**

**ORDER # 2ASPRI-05-B-3013**

Lot # 980700-1  
Delivery Date: 06/08/05

**Terms:** Net thirty (30) days

<u>QUANTITY</u>	<u>DESCRIPTION and SPECIFICATIONS</u>	<u>TOTAL PRICE</u>
25	USPS - The 50's Sporty Cars Stamped Postal Card Booklet - Book of 20	\$ 37.50

Name or typed name and title <b>John Stamp Spec.</b> HQ15	Postal facility <b>2845 PCE - 05-6-3013</b>	Finance number <b>67-1470</b>	Order or contract number <b>52441</b>	Account number <b>6/15/05</b>	Price - \$1.50 per booklet	Date goods or services received <b>6/15/05</b>	Date invoice received <b>6/15/05</b>	Date certified for payment <b>6/15/05</b>	Phone number <b>(703) 292-3884</b>	\$ 37.50
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USA 1000 WRIGHT DRIVE WILLIAMSVILLE, NEW YORK 14221-072 Canada - 5485 TOMKEN ROAD, MISSISSAUGA, ONTARIO L4W 1Y1	Tel (716) 633-2000 • Fax (716) 633-2321 Tel (905) 625-1010 • Fax (905) 625-1011
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**ASHTON  
POTTER**  
SECURITY PRINTERS

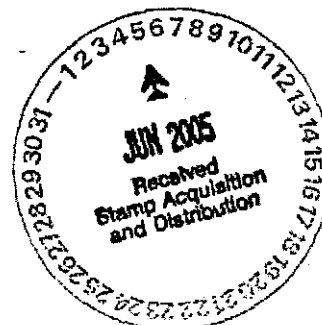
**INVOICE 01900**

**ASHTON-POTTER (USA) LTD.**

**U.S. POSTAL SERVICE**

**CONTRACT # 2ASPRI-03-Q-4350**

**ORDER # 2ASPRI-05-B-3014**



**INVOICE**

MANAGER, STAMP ACQUISITION BRANCH  
United States Postal Service  
475 L'Enfant Plaza SW, Room 5800  
Washington, DC 20260-2436  
Attn: Mr. Lawrence L. Lum II

Lot # 980600-1  
Delivery Date: 05/24/05

Invoice: 1900  
Date: May 31, 2005  
Terms: Net thirty (30) days

<u>QUANTITY</u>	<u>DESCRIPTION and SPECIFICATIONS</u>	<u>TOTAL PRICE</u>
48,675	USPS - The Art of Disney: Celebration Stamped Postal Card Booklet - Book of 30	
	Price \$1.50 per booklet	\$ 73,012.50
	Signature: <i>Rebecca L. Turner</i>	
	Printed or typed name and title: <i>Rebecca L. Turner, Stamp Spec.</i>	
	Postal facility: <i>4805</i>	
	Finance number: <i>671470</i>	
	Order or contract number: <i>2ASPRI-05-B-3014 5244</i>	
	Account number: <i>666105</i>	
	ANC (local payments) Date goods or services received: <i>6/6/05</i>	
	Date certified for payment: <i>6/6/05</i>	
	Date invoice received: <i>703/272 3484</i>	
	Phone number: <i>703/272 3484</i>	
		<u>\$ 73,012.50</u>

**ASHTON  
POTTER**  
SECURITY PRINTERS

**INVOICE 01896**

**ASHTON-POTTER (USA) LTD.**

**U.S. POSTAL SERVICE**

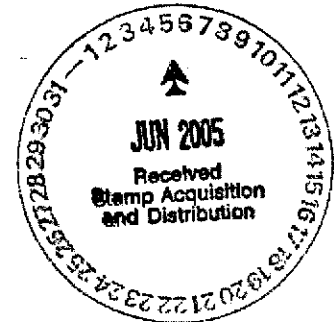
**CONTRACT # 2ASPRI-03-Q-4350**

**ORDER # 2ASPRI-05-B-3014**

**INVOICE**

MANAGER, STAMP ACQUISITION BRANCH  
United States Postal Service  
475 L'Enfant Plaza SW, Room 5800  
Washington, DC 20260-2436  
Attn: Mr. Lawrence L. Lum II

Lot # 980600-2  
Delivery Date: 05/18/05



Invoice: 1896  
Date: May 31, 2005  
Terms: Net thirty (30) days

<u>QUANTITY</u>	<u>DESCRIPTION and SPECIFICATIONS</u>	<u>TOTAL PRICE</u>
25	USPS - The Art of Disney: Celebration Stamped Postal Card Booklet - Book of 20	
	Price - \$1.50 per booklet	\$ 37.50
<p>certify that goods or services described have been received and that the invoice is correct and proper for payment.</p> <p>Signature: <i>Deborah Starnes</i>  <i>Deborah Starnes</i>  Printed or typed name and title  4015  Postal facility  Finance number  671470  2ASPRI-05-B-3014 52441  Order or contract number  Account number  6/6/05  Date goods or services received  6/6/05  Date certified for payment  6/6/05  Days invoice received  103) 292-388x  Phone number</p>		\$ 37.50

## SENNETT SECURITY PRODUCTS

4212-A Technology Court  
Chantilly, VA 20151-1214

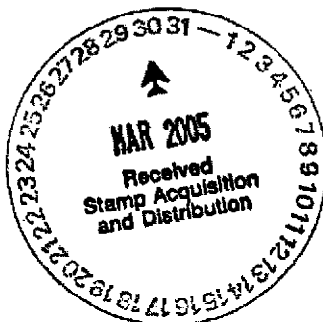
(703) 803-8880 FAX (703) 803-8884

INVOICE NO.	INVOICE DATE
7146	03/30/05

7146

SOLD  
TO:

Stamp Acquisition & Distribution  
United States Postal Service  
1735 N. Lynn Street, Suite 5008  
Arlington, VA 22209-6432



Total Pads Ordered 40,000  
Amount Shipped Previously 17,000  
Amount Shipped This Invoice 23,000  
Balance Pads To Be Shipped 0

PURCHASE ORDER NUMBER	DATE ORDERED	PAYMENT DATE	SALESPERSON
2ASPRI-04-P-5655	06/18/04	05/29/05	

Net 30

Contract No. 2ASPRI-03-Q-4342

REFERENCE	DESCRIPTION	AMOUNT
	Price	
Garden	23,000 Pads of 12 Shipped	
Bouquet		
Stamped	03/10/05 50 \$4.26 each	\$213.00
Stationery	Lot # 566294 (05) 3-8	
	03/15/05 4,120	\$17,551.20
	Lot # 566294 (05) 3-3	
	03/16/05 8,450	\$35,997.00
	Lot # 566294 (05) 2-23, 3-8	
	03/17/05 10,380	\$44,218.80
	Lot # 566294 (05) 2-23, 3-8	

MESSAGE:

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

Signature *Wanda D. Pratt*Printed or typed name and title *Acting, Philadelpha Procurement Spec.*Postal facility *USPS Atlanta*Finance number *67-1470*Account number *24-SPRI-04-P-5655*Date goods or services received *3-30-05*Date invoice received *3-30-05*Date certified for payment *(703) 292 3837*Phone number *703 292 3837*SUBTOTAL  
SALES TAX

SHIPPING

TOTAL

\$97,980.00

4210 A Technology Court  
Cheriton, VA 22021-1714

(703) 803-8888 FAX (703) 803-8884

INVOICE NO.	INVOICE DATE
7139	03/14/05

7139

SOLD  
TO:

Stamp Acquisition & Distribution  
United States Postal Service  
1735 N. Lynn Street, Suite 5008  
Arlington, VA 22209-6432

MAR 2005  
Received  
Stamp Acquisition  
and Distribution

Total Pads Ordered 40,000  
Amount Shipped Previously 9,000  
Amount Shipped This Invoice 8,000  
Balance Pads To Be Shipped 23,000

PURCHASE ORDER NUMBER	DATE ORDERED	PAYMENT DATE	SALESPERSON
2ASPRI-04-P-5655	06/18/04	04/13/05	

Net 30

Contract No. 2ASPRI-03-Q-4342

REFERENCE	DESCRIPTION	AMOUNT
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REFERENCE	DESCRIPTION	Price	AMOUNT
Garden Bouquet Stamped Stationery	8,000 Pads of 12 Shipped  03/08/05 8,000 Lot # 566294 (05) 3-3	\$4.26 each	\$34,080.00

I certify that goods or services described have been  
received and that the invoice is correct and proper for payment.

*Wanda D. Pratt*

Signature WANDA D. PRATT

*Agency Philatelic Proc. Spec.*  
Printed or typed name and title

*USPS Hdqtr* 67-1470  
Postal facility Finance number

2ASPRI-04-P-5655 52042  
Order or contract number Account number

3-18-05  
A/C (local payments) Date goods or services received

3-18-05  
Date certified for payment Date invoice received

703 292-3827  
Phone number

MESSAGE:

SUBTOTAL  
SALES TAX

SHIPPING

TOTAL

\$34,080.00

4212-A Technology Court  
Chantilly VA 20151-1214

(703) 803-8880 FAX (703) 803-8884

INVOICE NO.	INVOICE DATE
7129	03/04/05

7129

SOLD  
TO:



Amount

2ASPRI-04-P-5655

06/18/04

04/03/05

TERMS

NOTES

Net 30

Contract No. 2ASPRI-03-Q-4342

REFERENCE

DESCRIPTION

AMOUNT

Garden  
Bouquet  
Stamped  
Stationery

8,000 Pads of 12 Shipped

03/02/05

8,000

Lot # 566294 (05) 2-21

Price

\$4.26 each

\$34,080.00

I certify that goods or services described have been  
received and that the invoice is correct and proper for payment.

*Wanda D Pratt*

Signature WANDA D. PRATT

*Acting Philatelic Acquisition Spec.*  
Printed or typed name and title

*USPS H&H*

Postal facility

*67-1470*

Finance number

*2ASPRI-04-P-5655 52442*

Order or contract number

Account number

*3-7-05*

A/C (local payments) Date goods or services received

*3-8-05*

*3-7-05*

Date certified for payment

Date invoice received

*703-292-3527*

Phone number

MESSAGE

SUBTOTAL  
SALES TAX

SHIPPING

TOTAL

\$34,080.00

4210 A Technology Court  
Chantilly, VA 20151-1214

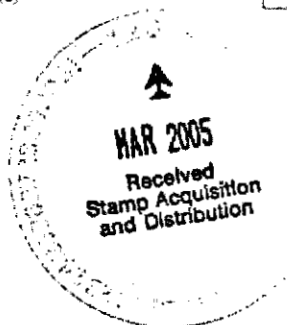
7031 807 1244 FAX 703 303-8884

INVOICE NO.	INVOICE DATE
7120	03/01/05

7120

SOLD  
TO:

Stamp Acquisition & Distribution  
United States Postal Service  
1735 N. Lynn Street, Suite 5008  
Arlington, VA 22209-6432



Total Pads Ordered	40,000
Amount Shipped Previously	0
Amount Shipped This Invoice	1,000
Balance Pads To Be Shipped	39,000

PURCHASE ORDER NUMBER	DATE ORDERED	PAYMENT DATE	SALESPERSON
2ASPRI-04-P-5655	06/18/04	03/31/05	

TERMS	NOTES
Net 30	Contract No. 2ASPRI-03-Q-4342

REFERENCE	DESCRIPTION	AMOUNT
-----------	-------------	--------

Garden  
Bouquet  
Stamped  
Stationery

1,000 Pads of 12 Shipped

02/23/05

1,000

Price  
\$4.26 each

\$4,260.00

Lot # 566294 (05) 2-22

Mailing Tests and New Materials per M001

\$60,240.00

Reprint Backer Boards and Additional Adhesive Strips per M000002

\$39,315.00

MESSAGE:

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

Signature *Wanda D. Smith*  
Printed or typed name and title *Wanda D. Smith, Director of Procurement Services*

USPS Helpline  
Postal facility *67-1470*  
Finance number

Order or contract number *2ASPRI-04-P-5655*  
Account number *3-3-05*

A/C (local payment) Date goods or services received *3-3-05*

Date certified for payment *3-3-05*  
Date invoice received *3-3-05*

Phone number *703 292 3827*

SUBTOTAL  
SALES TAX

SHIPPING

TOTAL

\$103,815.00



**GARDEN BOUQUET  
STAMPED STATIONERY**

**STATEMENT OF WORK**

**SPECIFICATIONS**

**SPECIAL NOTE:** This product should be priced based on 12 stationery sheets per pack

**FIRST DAY OF ISSUE:** When product arrives

**FORMAT:** Stamped Stationery Sheets

**NUMBER OF SHEETS PER PACK:** 12

**NUMBER OF SHEET DESIGNS:** Front -one (1) design  
Postage stamp side - one (1) design

**PRINT QUANTITY:** Forty thousand (40,000)

**ARTWORK TO THE PRINTER:** See attached copies. CD will be provided after contract award.

**WORK TO BE PERFORMED:**

The contractor shall produce stamped stationery sheets of twelve (12). Each sheet shall include a design on the front and \$.37 postage indicia with phosphor tagging on the reverse.

The product shall include the stamped stationery and a backer board with artwork on both front and back. The backer board shall contain a delta hole at the top for hanging. Each product shall be shrink wrapped, labeled and shipped.

**PERFORMANCE SPECIFICATIONS**

**Cover Sheet**

**Size:** NO COVER SHEET  
**Stock:**  
**Ink:**

# Label PRODUCTS INC.

10525 Hampshire Avenue South, Suite 300, Bloomington, MN 55438

http://www.labelproducts.com

Phone (952) 996-0909  
Fax (952) 996-0202



Manufacturers of Superior Quality  
Pressure Sensitive Labels  
Since 1962

## Invoice

Invoice Date: ~~8/16/2004~~  
Invoice No: 35471  
Page: 1  
Tax ID: 41-0978379

Sold To -  
MN DIVERSIFIED INDUSTRIES  
ATTN: ACCOUNTS PAYABLE #1258  
1700 WYNNE AVENUE  
ST PAUL, MN 55108-2708  
USA

Shipped To -  
MN DIVERSIFIED INDUSTRIES  
1700 WYNNE AVENUE  
ST PAUL MN 55108-2708  
USA  
Attn: KEVIN LINN

Customer P.O. #: ~~2893~~ Order Date: 8/5/2004 Ticket No: 36841 Customer No: 1191  
Sales Rep No: 29: DON BURKE (EXT 112)

Ordered	Shipped	Date	Product No.	Description	Price		Total
2,020,000	2,020,000	8/16/2004	673501	GARDEN BOUQUET 673501 RETAIL LABEL	\$2.90	Per M	\$5,858.00
<del>20,000</del>	<del>20,000</del>	<del>8/16/2004</del>	<del>457332</del>	<del>ART OF THE AMERICAN INDIAN 457332 RETAIL</del>	<del>\$2.90</del>	<del>Per M</del>	<del>\$58.00</del>
2,040,000					Sub Total:		\$5,916.00

Plate	ASST RETAIL LABELS	<del>\$50.00</del>
Art	ASST RETAIL LABELS	<del>\$20.00</del>

Invoice Includes 1 Plate change @ \$16.5 \$ ~~16.50~~  
\$ 0.00

Misc: 1- BARCODES \$ ~~10.00~~

Freight: ROADRUNNER \$ 88.67

Tax \$ 0.00

Tax \$ 0.00

Terms: NET 30 DAYS

Total Invoice \$ 6,101.17

Total Paid \$ 0.00

Balance Due \$ ~~6101.17~~

58.00  
16.50  
10.00  
70.00  
154.50

RECEIVED  
AUG 18 2004  
AP

RETURNS: No returns will be accepted unless authorized by management first. No returns authorized after 30 days.  
OVER OR UNDER RUNS: We try to ship exact quantities, but all orders are subject to a 10% over or under run.

PLEASE PAY FROM  
THIS INVOICE

## SECURITY PRODUCTS

2-A Technology Court  
Shantilly, VA 20151-1214

8880 FAX (703) 803-8884

INVOICE NO.	INVOICE DATE
7046	09/24/04

7046

Stamp Acquisition & Distribution  
United States Postal Service  
1735 N. Lynn Street, Suite 5008  
Arlington, VA 22209-6432  
Attn: Wanda J. Parks



Total Booklets Ordered	45,000
Amount Shipped Previously	35,900
Amount Shipped This Invoice	9,100
Balance Booklets To Be Shipped	0

PURCHASE ORDER NUMBER	DATE ORDERED	PAYMENT DATE	SALESPERSON
2ASPRI-04-P-6022	07/06/04	10/24/04	
TERMS	NOTES		
Net 30	Contract No. 2ASPRI-03-Q-4342		

REFERENCE	DESCRIPTION	AMOUNT
Cloudscapes Postal Cards	<p>9,100 Booklets of 20 Shipped</p> <p>09/14/04 9,100 \$1.83 each \$16,653.00</p> <p>Lot # 884600 (04) 8-16</p> <p>I certify that goods or services described have been received and that the invoice is correct and proper for payment.</p> <p><u><i>Diane Dalsing</i></u> Signature</p> <p><u>DIANE DALRING</u> Printed or typed name and title</p> <p><u>USPS Hdqtrs 67-1470</u> Postal facility Finance number</p> <p><u>2ASPRI-04-P-6022 52442</u> Order or contract number Account number</p>	

MESSAGE:

A/C (local payments) Date goods or services received  
10/06/04 9/27/04

Date certified for payment Date invoice received  
703-292-3827

Phone number

SUBTOTAL	\$16,653.00
SALES TAX	
SHIPPING	
TOTAL	

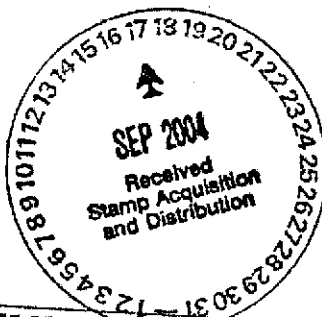
PRODUCTS  
Technology Court  
2015 1211

FAX (703) 803 8884

INVOICE NO.	INVOICE DATE
7041	09/16/04

7041

Acquisition & Distribution  
United States Postal Service  
1000 North Street, Suite 5008  
Arlington, VA 22209-6432  
Wanda J. Parks



Total Booklets Ordered	45,000
Amount Shipped Previously	0
Amount Shipped This Invoice	35,900
Balance Booklets To Be Shipped	9,100

ORDER NUMBER	DATE ORDERED	PAYMENT DATE	SALESPERSON
2ASPRI-04-P-6022	07/06/04	10/16/04	
TERMS	NOTES		
Net 30	Contract No. 2ASPRI-03-Q-4342		

REFERENCE	DESCRIPTION	Price	AMOUNT
Cloudscapes Postal Cards	35,900 Booklets of 20 Shipped		
	08/19/04 25	\$1.83 each	\$45.75
	Lot # 884600 (04) 8-16		
	08/31/04 18,975		
	Lot # 884600 (04) 8-16		\$34,724.25
	09/07/04 16,900		
	Lot # 884600 (04) 8-16		\$30,927.00
I certify that goods or services received and that the invoice is correct.			
Signature: <u>Diane Dalsing</u>			
Printed or typed name and title: <u>DIANE DALRING</u>			
Postal facility: <u>USPS Hdqtrs</u> 67-1470			
Order or contract number: <u>2 ASPRI-04-P-6022</u> 52442			
Account number: <u>9/17/04</u>			
Date goods or services received: <u>9/21/04</u>			
Date certified for payment: <u>9/17/04</u>			
Date invoice received: <u>703-292-3827</u>			

MESSAGE:

Order or contract number

Account number

A/C (local payments)

Date goods or services received

Date certified for payment

Date invoice received

Phone number

SUBTOTAL  
SALES TAX

SHIPPING

TOTAL

\$65,697.00

# Pallet Tag Totals By Item No and Date Range

Start Date: 09/01/2004

End Date: 09/29/2004

MDI ItemNo 45547

USPS Item # 884601

Tag #	Description	Work Order	Sales Value	Total Pieces	Process Date	Total Sales
180887	COL. CLOUDSCAPES - 20 STAMPED POSTAL CARD	18166	\$0.3560	4,680		\$1,666.08
180970	COL. CLOUDSCAPES - 20 STAMPED POSTAL CARD	18166	\$0.3560	4,680		\$1,666.08
181046	COL. CLOUDSCAPES - 20 STAMPED POSTAL CARD	18166	\$0.3560	390		\$138.84
181053	COL. CLOUDSCAPES - 20 STAMPED POSTAL CARD	18166	\$0.3560	4,000		\$1,424.00
181056	COL. CLOUDSCAPES - 20 STAMPED POSTAL CARD	18166	\$0.3560	1,806		\$642.94
Summary for USPS Item #: 884601 (5 detail record(s))		Total:		15,556		\$5,537.94
		Grand Total:		15,556		\$5,537.94

#. 3560

Annie N.

266351-01-T-0036

23R PSR - 04 m - 2793





GOVERNMENT SERVICES, INC.

Remit to: P.O. Box 1521, Minneapolis, MN 55480-1521  
 Phone: 651-999-8289 Fax: 651-646-4215

INVOICE NUMBER	INVOICE DATE
19853	08/31/2004

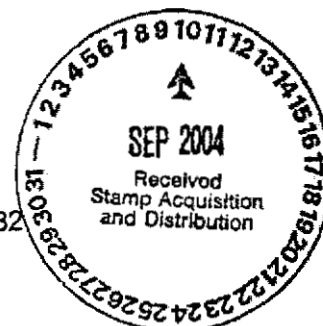
CUSTOMER NO.	CUSTOMER PO NO.
USPS 0036AN	266351-01-T-0036

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USPS Stamp Development  
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 1735 N Lnn ST  
 Arlington VA 22209-6432

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Annie Nesbitt  
 1735 N Lnn ST  
 Arlington VA 22209-6432



TERMS	SHIPPING DATE	BILL OF LADING NO.	SHIPPED VIA	
	08/31/2004			
QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL	
15,648.00	COLLECTABLE#884501, ART AM INDIAN	0.3560	5,570.69	

I certify that goods or services described have been  
 received and that the invoice is correct and proper for payment.

*Diane Dalsing*  
 Signature

DIANE DALSING  
 Printed or typed name and title

USPS Hdqtrs 66-0170  
 Postal facility Finance number

266351-01-T-0036 52442  
 Order or contract number Account number

9/10/04  
 AIC (local payments) Date goods or services received

9/13/04 9/10/04  
 Date certified for payment Date invoice received

703-292-3827  
 Phone number

Sales Tax: \$0.00

Comments:

CONTRACT #266351-01-T-0036  
 ORDER #2BRPSR-04-M-2893

Please pay this amount:	\$5,570.69
Due by:	08/31/2004

A finance charge of 1% (12% APR) will be added to all past due invoices.

**SECURITY PRODUCTS**  
 4212-A Technology Court  
 Chantilly, VA 20151-1214

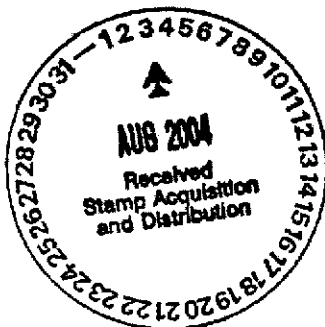
6995

(703) 803-8880 FAX (703) 803-8884

INVOICE NO.	INVOICE DATE
6995	07/30/04

SOLD  
TO:

Stamp Acquisition & Distribution  
 US Postal Service HDQ  
 475 L'Enfant Plaza, SW  
 Washington, DC 20260-6810



Total Booklets Ordered	35,000
Amount Shipped Previously	25
Amount Shipped This Invoice	34,975
Balance Booklets To Be Shipped	0

PURCHASE ORDER NUMBER	DATE ORDERED	PAYMENT DATE	SALESPERSON
2ASPRI-04-P-5554	06/15/04	08/29/04	
TERMS	NOTES		
Net 30	Contract No. 2ASPRI-03-Q-4342		

REFERENCE	DESCRIPTION	Price	AMOUNT
Art of the American Indian Postal Cards	34,975 Booklets of 20 Shipped		
	07/20/04 9,800 Lot # 884500 (04) 7-15	\$1.71 each	\$16,758.00
	07/27/04 25,175 Lot # 884500 (04) 7-15		\$43,049.25
I certify that goods or services described have been received and that the invoice is correct and proper for payment. <u><i>Dianne Dalsing</i></u> Signature <u>DIANNE DALSING</u> Printed or typed name and title <u>USPS Adpts</u> <u>67-1470</u> Postal facility Finance number <u>2ASPRI-04-P-5554</u> <u>52442</u>			

MESSAGE:

Order or contract number 8-3-04  
 A/C (local payments) Date goods or services 8-4-04 8-3-01  
 Date certified for payment Date invoice 703-292-3827  
 Phone number

SUBTOTAL  
SALES TAX

SHIPPING

TOTAL

\$59,807.25





ERNMENT SERVICES, INC.

Remit to: P.O. Box 1521, Minneapolis, MN 55480-1521  
Phone: 651-999-8289 Fax: 651-646-4215

INVOICE NUMBER	INVOICE DATE
20016	09/29/2004

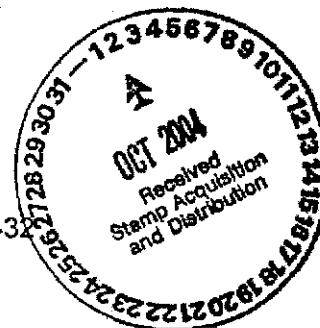
CUSTOMER NO.	CUSTOMER PO NO.
USPS 0036AN	266351-01-T-0036

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USPS Stamp Development  
Annie Nesbitt  
1735 N Lnn ST  
Arlington VA 22209-6432

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Annie Nesbitt  
1735 N Lnn ST  
Arlington VA 22209-6432



TERMS	SHIPPING DATE	BILL OF LADING NO.	SHIPPED VIA	
	09/29/2004			
QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL	
20,000.00	LABELS Art of the American Indian Retail	0.0029	58.00	
1.00	ASST RETAIL Lasst Retail Labels	70.0000	70.00	
1.00	PLATE CHANGE Plate Change	16.5000	16.50	
1.00	BAR CODE Bar Code	10.0000	10.00	

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

*Diane Halsing*  
Signature

DIANE DALSING

Printed or typed name and title

USPS Hdqtrs 66-0170  
Postal facility Finance number

266351-01-T-0036 52442

Order or contract number Account number

10/2/04

A/C (local payments) Date goods or services received

10/6/04 10/2/04

Date certified for payment Date invoice received

703-292-3827

Phone number

Comments:

American Indian Art Matted Pane Keepsake - USPS

#457382

Sales Tax:

\$0.00

Please pay this amount: \$154.50

Due by: 09/29/2004

## 152

[illegible]

# Pallet Tag Totals By Item No and Date Range

Start Date: 09/01/2004

End Date: 09/29/2004

MDI ItemNo 44563

USPS Item # 457391

Tag #	Description	Work Order	Sales Value	Total Pieces	Process Date	Total Sales
180501	COL, ART OF THE AMERICAN INDIAN CER PROG.	17653	\$0.3850	6,160		\$2,371.60
180691	COL, ART OF THE AMERICAN INDIAN CER PROG.	17653	\$0.3850	6,400		\$2,464.00
180695	COL, ART OF THE AMERICAN INDIAN CER PROG.	17653	\$0.3850 ✓	3,130		\$1,205.05
Summary for USPS Item #: 457391 (3 detail record(s))		Total:		15,690		\$6,040.65
Grand Total:				15,690		\$6,040.65

# 385

Annie N.

266351-01-T-0036

2 BRPSR-04M-2893



MENT SERVICES, INC.

P.O. Box 1521, Minneapolis, MN 55480-1521  
Phone: 651-999-8289 Fax: 651-646-4215

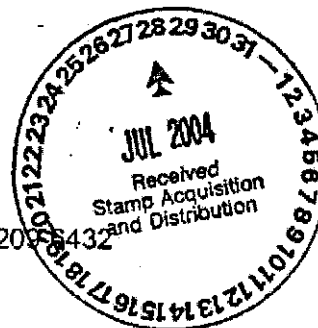
USPS STAMP DEVELOPMENT  
ANNIE NESBITT  
1735 N LNN ST  
ARLINGTON VA 22209-6432

INVOICE NUMBER	INVOICE DATE
19677	07/26/2004

CUSTOMER NO.	CUSTOMER PO NO.
USPS 0036AN	266351-01-T-0036

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ANNIE NESBITT  
1735 N LNN ST  
ARLINGTON VA 22209-6432



TERMS	SHIPPING DATE	BILL OF LADING NO.	SHIPPED VIA	
	06/30/2004			
QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL	
1.00	COLLECTABLE885101 DISNEY FRIENDSHIP P	0.3560	6,033.13	

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

*Diane Dalsing*  
Signature  
DIANE DALRING  
Printed or typed name and title  
USPS Hdqtrs 66-0170  
Postal facility Finance number  
2BRPSR-04-M-2893 52442  
Order or contract number Account number  
7/28/04  
A/C (local payments) Date goods or services received  
7/29/04 7/28/04  
Date certified for payment Date invoice received  
703-292-3827  
Phone number

Comments:

FACT #266351-01-T-0036  
2BRPSR-04-M-2893

Please pay this amount:	\$6,033.13
Due by:	07/26/2004

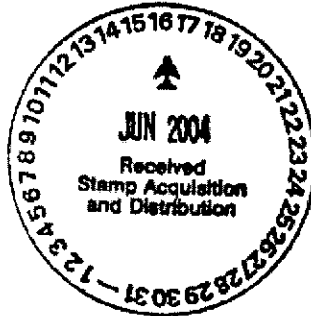
## SECURITY PRODUCTS

1212-A Technology Court  
Chantilly, VA 20151-1214

6969

(703) 803-8880 FAX (703) 803-8884

INVOICE NO.	INVOICE DATE
6969	06/15/04

SOLD  
TO:Stamp Acquisition & Distribution  
US Postal Service HDQ  
475 L'Enfant Plaza, SW  
Washington, DC 20260-6810

Total Pads Ordered	40,000
Amount Shipped Previously	7,070
Amount Shipped This Invoice	32,930
Balance Pads To Be Shipped	0

PURCHASE ORDER NUMBER	DATE ORDERED	PAYMENT DATE	SALESPERSON
2ASPRI-04-P-3578	03/09/04	07/15/04	
TERMS	NOTES		
Net 30	Contract No. 2ASPRI-03-Q-4342		

REFERENCE	DESCRIPTION	AMOUNT
Disney Friendship Stamped Stationery	<p>32,930 Pads of 12 Shipped</p> <p>06/08/04 32,930 \$2.6300 each \$86,605.90</p> <p>Lot # 566794 (04) 5-26</p> <p>Backer Board Reprint \$14,745.00</p>	

I certify that goods or services described have been  
received and that the invoice is correct and proper for payment.

Signature

DIANNE DALINGS

Printed or typed name and title

USPS Hdqrs

Postal facility

67-1470

Finance number

MESSAGE:

2ASPRI-04-P-3578 3442

Order or contract number

Account number

AKC (local payments) Date goods or services received

6/16/04

6/16/04

Date certified for payment Date invoice received

703-292-3827

Phone number

SUBTOTAL  
SALES TAX

SHIPPING

TOTAL

\$101,350.90

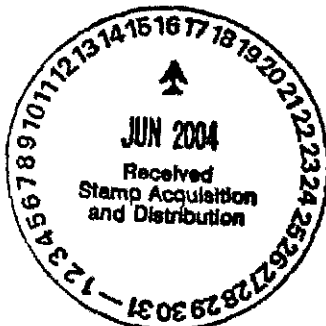
## ANETT SECURITY PRODUCTS

4212-A Technology Court  
Chantilly, VA 20151-1214

6969

(703) 803-8880 FAX (703) 803-8884

INVOICE NO.	INVOICE DATE
6969	06/15/04

SOLD  
TO:Stamp Acquisition & Distribution  
US Postal Service HDQ  
475 L'Enfant Plaza, SW  
Washington, DC 20260-6810

Total Pads Ordered	40,000
Amount Shipped Previously	7,070
Amount Shipped This Invoice	32,930
Balance Pads To Be Shipped	0

PURCHASE ORDER NUMBER	DATE ORDERED	PAYMENT DATE	SALESPERSON
2ASPRI-04-P-3578	03/09/04	07/15/04	
TERMS	NOTES		
Net 30	Contract No. 2ASPRI-03-Q-4342		

REFERENCE	DESCRIPTION	AMOUNT
	Price	
Disney Friendship Stamped Stationery	32,930 Pads of 12 Shipped	
	06/08/04 32,930 \$2.6300 each	\$86,605.90
	Lot # 566794 (04) 5-26	
	Backer Board Reprint	\$14,745.00
I certify that goods or services described have been received and that the invoice is correct and proper for payment. <u><i>Dianne Dalsing</i></u> Signature <u>DIANNE DALRING</u> Printed or typed name and title <u>USPS Hdqtrs</u> <u>67-1470</u> Postal facility Finance number		

MESSAGE:

2ASPRI-04-P-3578 52442  
 Order or contract number Account number  
 6/16/04  
 A/C (local payments) Date goods or services received  
 6/16/04 6/16/04  
 Date certified for payment Date invoice received  
 703-292-3827  
 Phone number

SUBTOTAL  
SALES TAX

SHIPPING

TOTAL

\$101,350.90

**ENNETT SECURITY PRODUCTS**

 4212-A Technology Court  
 Chantilly, VA 20151-1214

6955

(703) 803-8880 FAX (703) 803-8884

INVOICE NO.	INVOICE DATE
6955	06/04/04

 SOLD  
 TO:

 Stamp Acquisition & Distribution  
 US Postal Service HDQ  
 475 L'Enfant Plaza, SW  
 Washington, DC 20260-6810


Total Booklets Ordered	68,000
Amount Shipped Previously	0
Amount Shipped This Invoice	68,000
Balance Booklets To Be Shipped	0

PURCHASE ORDER NUMBER	DATE ORDERED	PAYMENT DATE	SALESPERSON
2ASPRI-04-P-3581	03/09/04	07/04/04	
TERMS	NOTES		
Net 30	Contract No. 2ASPRI-03-Q-4342		

REFERENCE	DESCRIPTION	AMOUNT
	Price	
Disney Friendship Stamped Postal Cards	68,000 Booklets of 20 Shipped	
	05/25/04 9,750 \$1.2900 each	\$12,577.50
	Lot # 885100 (04) 5-10	
	05/26/04 58,250	\$75,142.50
	Lot # 885100 (04) 5-10	
I certify that goods or services described have been received and that the invoice is correct and proper for payment. <u><i>Diane Dalsing</i></u> Signature <u>DIANE DALRING</u> Printed or typed name and title <u>USPS Hdqtrs</u> 67-1470 Postal facility Finance number		

MESSAGE:

2ASPRI-04-P-3581	52442
Order or contract number	Account number
	6/7/04
AIC (local payments)	Date goods or services received
6/16/04	6/7/04
Date certified for payment	Date invoice received
703-292-3827	
Phone number	

 SUBTOTAL  
 SALES TAX

SHIPPING

TOTAL

\$87,720.00



4212-A Technology Court  
Chantilly, VA 20151-1214

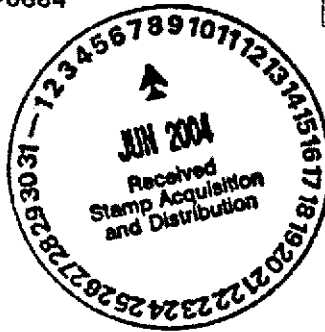
0950159

(703) 803-8880 FAX (703) 803-8884

INVOICE NO.	INVOICE DATE
6956	06/04/04

SOLD  
TO:

Stamp Acquisition & Distribution  
US Postal Service HDQ  
475 L'Enfant Plaza, SW  
Washington, DC 20260-6810



Total Pads Ordered	40,000
Amount Shipped Previously	0
Amount Shipped This Invoice	7,070
Balance Pads To Be Shipped	32,930

PURCHASE ORDER NUMBER	DATE ORDERED	PAYMENT DATE	SALESPERSON
2ASPRI-04-P-3578	03/09/04	07/04/04	

TERMS

NOTES

Net 30

Contract No. 2ASPRI-03-Q-4342

REFERENCE	DESCRIPTION	AMOUNT
	<b>Price</b>	
ney Friendship Stamped Stationery	7,070 Pads of 12 Shipped	
	05/26/04 7,020 \$2.6300 each	\$18,462.60
	Lot # 566794 (04) 5-10	
	06/01/04 50	\$131.50
	Lot # 566794 (04) 5-10	
	Per M002 - Funds for new pre-press/printplates/makeready	\$7,160.00

MESSAGE:

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

*Diane Dalsing*  
Signature

DIANE DALRING

Printed or typed name and title

USPS Hdqtrs 67-1470

Postal facility Finance number

2A SPRI-04-P-3578 52442

Order or contract number Account number

6/7/04

A/C (local payments) Date goods or services received

6/16/04

Date certified for payment Date invoice received

703-292-3827

Phone number

SUBTOTAL  
SALES TAX

SHIPPING

TOTAL

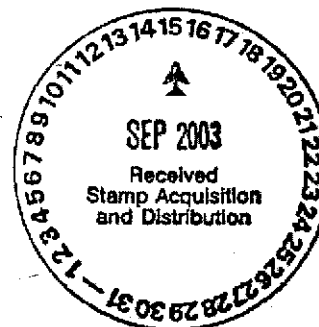
\$25,754.10

NEED To Reorder:



INVOICE 01384

ASHTON-POTTER (USA) LTD.



U.S. POSTAL SERVICE

CONTRACT # 2ASPRI-03-Q-4350

ORDER # 2ASPRI-03-P-7281

## INVOICE

MANAGER, STAMP ACQUISITION BRANCH  
United States Postal Service  
475 L'Enfant Plaza SW, Room 4485E  
Washington, DC 20260-6753  
Attn: Mr. Lawrence L. Lum II

Lot # 883400-1  
Delivery Date: 09/04/03

Invoice: 1384  
Date: September 12, 2003  
Terms: Net thirty (30) days

QUANTITY	DESCRIPTION and SPECIFICATIONS	TOTAL PRICE
----------	--------------------------------	-------------

15,025

USPS - Holiday Music Makers Stamped  
Postal Card Sheet Sets

\$ 12,470.75

certify that goods or services described have been  
received and that the invoice is correct and proper for payment.

Signature

*Donnie R Nesbitt*  
Printed or typed name and title

USPS Hdqtrs 666-0170  
Postal facility

2ASPRI-03-P-7281 525442  
Order or contract number

9/15/03  
Account number

\$ .88 per set  
Date goods or services received

9/15/03  
Date certified for payment

9/15/03  
Date invoice received

268-268-2382  
Phone number

\$ 12,470.75



INVOICE 01387

ASHTON-POTTER (USA) LTD.

U.S. POSTAL SERVICE

CONTRACT # 2ASPRI-03-Q-4350

ORDER # 2ASPRI-03-P-7281

## INVOICE

MANAGER, STAMP ACQUISITION BRANCH  
United States Postal Service  
475 L'Enfant Plaza SW, Room 4485E  
Washington, DC 20260-6753  
Attn: Mr. Lawrence L. Lum II

Lot # 883400-2  
Delivery Date: 09/09/03

Invoice: 1387  
Date: September 12, 2003  
Terms: Net thirty (30) days

QUANTITYDESCRIPTION and SPECIFICATIONSTOTAL  
PRICE

27,175

USPS - Holiday Music Makers Stamped  
Postal Card Sheet Sets

\$ 22,555.25

Price - \$ .83 per set

\$ 22,555.25

Verify that goods or services described have been received and that the invoice is correct and proper for payment.

Signature: *Lawrence L. Lum II*

Printed or typed name and title: *Lawrence L. Lum II*

USPS Facility: *66-0170*

Finance number: *2ASPRI-03-P-7281*

Order or contract number: *2ASPRI-03-P-7281*

Account number: *9/15/03*

AP (local payments) Date goods or services received: *9/15/03*

Date certified for payment: *9/25/03*

Date invoice received: *9/25/03*

Phone Number: *202-268-2322*

USA - 10101 WILKINSON DRIVE, SUITE 100, GREENVILLE, SC 29615-1072  
Canada - 5485 TUCKER ROAD, MISSISSAUGA, ONTARIO L4W 3Y3

Tel (716) 633-2000 • Fax (716) 633-2323  
Tel (905) 625-1010 • Fax (905) 625-1011



INVOICE 01388

ASHTON-POTTER (USA) LTD.

U.S. POSTAL SERVICE

CONTRACT # 2ASPRI-03-Q-4350

ORDER # 2ASPRI-03-P-7281

## INVOICE

MANAGER, STAMP ACQUISITION BRANCH  
United States Postal Service  
475 L'Enfant Plaza SW, Room 4485E  
Washington, DC 20260-6753  
Attn: Mr. Lawrence L. Lum II

Lot # 883400-3  
Delivery Date: 09/10/03

Invoice: 1388  
Date: September 22, 2003  
Terms: Net thirty (30) days

<u>QUANTITY</u>	<u>DESCRIPTION and SPECIFICATIONS</u>	<u>TOTAL PRICE</u>
7,800	USPS - Holiday Music Makers Stamped Postal Card Sheet Sets	\$ 6,474.00
		<u>\$ 6,474.00</u>

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

Signature  
Date  
Printed name and title  
USPS Addres 66-0170

Postal facility  
2ASPRI-03-P-7281

Finance number  
Account number  
9/24/03

Price  
\$ .83 per set

Date goods or services received  
9/25/03

Date invoice received  
9/24/03

Date certified for payment  
2002-268-2322

Phone number

USA: 14221-7072  
Canada: 5485 TOMKEN ROAD, MISSISSAUGA, ONTARIO L4W 3Y3

Tel (716) 633-2000 • Fax (716) 633-2373  
Tel (905) 625-1010 • Fax (905) 625-1011

# SENNETT SECURITY PRODUCTS

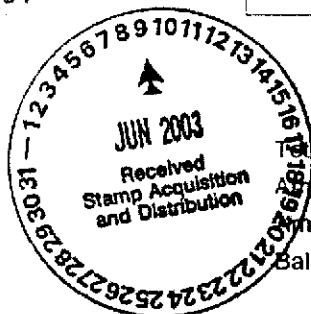
4212-A Technology Court  
Chantilly, VA 20151-1214

6600

(703) 903-8880 FAX (703) 803-8884

INVOICE NO.	INVOICE DATE
6600	06/06/03

SOLD TO:  
Stamp Acquisition & Distribution  
US Postal Service HDQ  
475 L'Enfant Plaza, SW  
Washington, DC 20260-6810



Total Books Ordered	55,000
Amount Shipped Previously	0
Amount Shipped This Invoice	55,000
Balance Books To Be Shipped	0

PURCHASE ORDER NUMBER	DATE ORDERED	PAYMENT DATE	SALESPERSON
ZASPRI-03-P-5016	04/23/03	07/06/03	

Net 30 TERMS	NOTES

REFERENCE	DESCRIPTION	Price	AMOUNT
Southeastern Lighthouses Postal Card	55,000 Books of 20 Shipped		
	05/14/03 2,000 Lot # 883300 (03) 5-14	\$1.6285 /each	\$3,257.20
	05/15/03 25 Lot# 883300 (03) 5-1		\$40.72
	05/15/03 52,975 Lot# 883300 (03) 5-1		\$86,275.09

MESSAGE:

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

Signature: *Denise D. Nesbitt*  
 Printed or typed name and title: Denise D. Nesbitt  
 USPS Address: 67-1470  
 Postal facility: Finance number  
 Order or contract number: ZASPRI-03-P-5016 52442  
 Account number: 6/9/03  
 A/C (local payments): Date goods or services received: 6/11/03  
 Date certified for payment: 6/9/03  
 Data invoice received: 202-268-2322  
 Phone number:

SUBTOTAL  
SALES TAX

SHIPPING

TOTAL

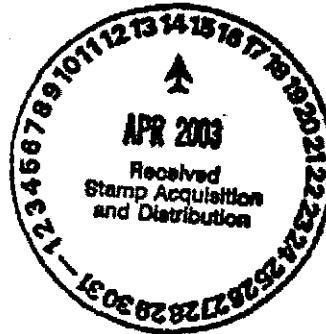
\$89,573.00

Delivery No.

022803  
030703  
031403  
040203**Banknote Corporation of America, Inc.**CORPORATE PARK DRIVE • BROWNS SUMMIT, NC 27214  
TEL (336) 375-1134 - FAX (336) 375-3150

PLEASE MAIL REMITTANCE TO:

P.O. Box 852, Rockefeller Station, New York, NY 10185.

SOLD TO Ms. Annie Nesbitt  
United States Postal Service  
475 L'Enfant Plaza SW, Room #5826  
Washington, DC 20260-2436

ACCOUNT NO.	SEMAN NO.	PURCHASE ORDER NO.	SHIP TO STATE	SHIP TO ZIP	SHIPMENT DATE	TERMS	INVOICE DATE
1496	99	01		X	03/05/03	NET 30	04/11/03

Contract No. 2ASPRI-03-B-4317

Order No. 2ASPRI-03-B-4317

03/10/03

03/17/03

04/07/03

Set Issue      Item #883200      The \$9.75 Old Glory Postal Stamp Cards

1,000	5	Cartons of 200 Booklets (20,000 Postal Cards)
25,600	128	Cartons of 200 Booklets (20,000 Postal Cards)
175	1	Carton of 175 Booklets (3,500 Postal Cards)
25	1	Carton of 25 Booklets (500 Postal Cards)
13,000	65	Cartons of 200 Booklets (20,000 Postal Cards)
22,200	111	Cartons of 200 Booklets (20,000 Postal Cards)
<u>62,000</u>		

\$1.48

\$91,760.00

Booklets

or

1,240,000

Post Cards

\*\*\*COMPLETE\*\*\*

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

Signature

Printed or typed name and title

USPS Hdqtrs 67-1470

Postal facility

Finance number

2ASPRI-03-B-4317 52442

Order or contract number

Account number

4/14/03

A/C (local payments) Date goods or services received

4/29/03

4/14/03

Date certified for payment

Date invoice received

Phone number

TOTAL AMOUNT

\$91,760.00

COPIES: CUSTOMER/REMITTANCE/BILLING/SALES

ORIGINAL

Invoice No.  
Stock Delivery No.

1104040-C  
092101

# Banknote Corporation of America, Inc.

CORPORATE PARK DRIVE - BROWNS SUMMIT, NC 27214  
TEL (336) 375-1134 - FAX (336) 375-3150

PLEASE MAIL REMITTANCE TO:

P.O. Box 852, Rockefeller Station, New York, NY 10185.

SOLD TO Ms. Annie Nesbitt  
United States Postal Service  
475 L'Enfant Plaza SW, Room #5826  
Washington, DC 20260-2436



ACCOUNT NO.	SEMIAN NO.	PURCHASE ORDER NO.	SHIP VIA	PRD	SHIP DATE	TERMS	INVOICE DATE
1496	99	01		X	09/26/01	NET 30	09/28/01

Contract No. 102595-01-P-1911

<u>Set Issue</u>	<u>Item # 883100</u>	<u>The \$8.95 Holiday Santa's Postal Card Book</u>		
54,400	272	Cartons of 4,000 Postal Cards Each	0.78 /Book	\$42,432.00
		(1,088,000 Cards Total)		
75	1.00	Carton Consisting of 1,500 Cards Total	0.78 /Book	\$58.50
54,475				
Sets				

\*\*\*\* FINAL SHIPMENT \*\*\*\*

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

Signature

Printed or typed name and title

Postal facility

Finance number

Order or contract number

Account number

AG (local payments)

Date goods or services received

Date certified for payment

Date invoice received

Phone number

TOTAL AMOUNT

\$42,490.50

COPIES: CUSTOMER/REMITTANCE/BILLING/SALES

ORIGINAL

**Banknote Corporation of America, Inc.**

6109 CORPORATE PARK DRIVE - BROWNS SUMMIT, NC 27214  
 (336) 375-1134 - FAX (336) 375-3150

PLEASE MAIL REMITTANCE TO:

P.O. Box 852, Rockefeller Station, New York, NY 10185.

SOLD TO

Ms. Annie Nesbitt  
 United States Postal Service  
 475 L'Enfant Plaza SW, Room #5826  
 Washington, DC 20260-6810



ACCOUNT NO.	SUBMIT NO.	PURCHASE ORDER NO.	SHIP NO.	PPD	SHIPMENT DATE	TERMS	INVOICE DATE
1496	99	01		X	09/12/01	NET 30	09/14/01

Contract No. 102595-01-P-1911

Book Issue  
45,000

Item # 883100  
225

The \$8.95 Holiday Santa's Postal Card Book  
 Cartons of 4,000 Postal Cards Each  
 (900,000 Cards Total)

✓ 0.78 /Book

\$35,100.00

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

*Annie D. Nesbitt*  
 Signature

*Annie D. Nesbitt*  
 Printed or typed name and title

*USPS Hdqtrs 67-1470*  
 Postal facility Finance number

*102595-01-P-1911 52441*  
 Order or contract number Account number

*9/18/01*

A/C (local payments) Date goods or services received

*9/27/01 9/18/01*

Date certified for payment Date invoice received

*202-268-2322*

Phone number

TOTAL AMOUNT

\$35,100.00

COPIES: CUSTOMER/REMITTANCE/BILLING/SALES

ORIGINAL



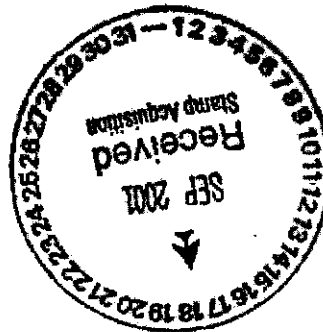
**Banknote Corporation of America, Inc.**

6109 CORPORATE PARK DRIVE - BROWNS SUMMIT, NC 27214  
 TEL (336) 375-1134 - FAX (336) 375-3150

PLEASE MAIL REMITTANCE TO:

P.O. Box 852, Rockefeller Station, New York, NY 10185.

SOLD TO Ms. Annie Nesbitt  
 United States Postal Service  
 475 L'Enfant Plaza SW, Room #5826  
 Washington, DC 20260-6810



*Copy*

ACCOUNT NO.	SEVAN NO.	PURCHASE ORDER NO.	SHIP VLS	SHIP DATE	SHIP DATE	TERMS	INVOICE DATE
1496	99	01		X	09/12/01	NET 30	09/14/01

Contract No. 102595-01-P-1911

<u>Book Issue</u>	<u>Item # 883100</u>	<u>The \$8.95 Holiday Santa's Postal Card Book</u>		
45,000	225	Cartons of 4,000 Postal Cards Each (900,000 Cards Total)	0.78 /Book	\$35,100.00

TOTAL AMOUNT

\$35,100.00

COPIES: CUSTOMER/REMITTANCE/BILLING/SALES

Invoice No.  
Stock Delivery No.

1104040-A  
090401

# Banknote Corporation of America, Inc.

CORPORATE PARK DRIVE - BROWNS SUMMIT, NC 27214  
TEL (336) 375-1134 - FAX (336) 375-3150

PLEASE MAIL REMITTANCE TO:

P.O. Box 852, Rockefeller Station, New York, NY 10185.

SOLD TO Ms. Annie Nesbitt  
United States Postal Service  
475 L'Enfant Plaza SW, Room #5826  
Washington, DC 20260-6810



ACCOUNT NO.	SEVEN NO.	PURCHASE ORDER NO.	SHIP. VES.	SHIP. DATE	TERMS	INVOICE DATE
1496	99	01	X	09/04/01	NET 30	09/06/01

Contract No. 102595-01-P-1911

Book Issue	Item #	The \$8.95 Holiday Santa's Postal Card Book		
400	2	Cartons of 4,000 Postal Cards Each (8,000 Cards Total)	0.78 /Book	\$312.00
100	1	Carton of 2,000 Postal Cards	0.78 /Book	\$78.00
25	1	Carton of 500 Postal Cards	0.78 /Book	\$19.50
525 Books	OR	10,500 CARDS		

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

Signature

Printed or typed name and title

Postal facility

Finance number

102595-01-P-1911

52441

Order or contract number

Account number

9/12/01

AIC (local payments)

Date goods or services received

9/14/01

9/12/01

Date certified for payment

Date invoice received

202-268-2322

Phone number

TOTAL AMOUNT

\$409.50

COPIES: CUSTOMER/REMITTANCE/BILLING/SALES

ORIGINAL

## MINNESOTA DIVERSIFIED INDUSTRIES, INC.

Remit to: P.O. Box 1521, Minneapolis, MN 55480-1521  
 Phone: 651-999-8289 Fax: 651-646-4215

INVOICE NUMBER	INVOICE DATE
68901	08/31/2005

CUSTOMER NO.	CUSTOMER PO NO.
10261	266351-01-T-0036

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USPS - Collectibles  
 Wanda Pratt  
 1735 N Lynn St  
 Arlington, VA 22209-6432

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Wanda Pratt  
 1735 N Lynn St  
 Arlington, VA 22209-6432



TERMS	SHIPPING DATE	BILL OF LADING NO.	SHIPPED VIA	
Net 30	08/31/2005			
QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL	
20,141.00	457788 Stamp, Collectibles, Philatelic, Let's Dance - Set of 4 Prints	1.0440	\$21,027.20	
16,140.00	980801 Stamp, Retail, Postcard, '05-Latino-Let's Dance, P. Card S	0.5346	\$8,628.44	
15,693.00	673899 Stamp, Collectibles, Commemorative, Philatelic, Sporty Ca	0.3850	\$6,041.81	
15,645.00	673799 Stamp, Collectibles, Commemorative, Rio Grande Blanket	0.3850	\$6,023.33	
825.00	567193 Stamp, Collectibles, Philatelic, More Perfect Union Pane &	0.4432	\$365.64	
15,653.00	457499 Stamp, Collectibles, Philatelic, Arthur Ashe FDC Keepsake	0.3850	\$6,026.41	

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

Signature Wanda D. Pratt

Signature WANDA D. PRATT

(A) Philatelic Acquisition and Distribution

Printed or typed name and title

Postage

Postage facility 660170

Finance number 288056-04-11-28813 57442

Order or contract number 9-7-05

Account number 9-7-05

A/C (local payments) Date goods or services received 9-7-05

Date certified for payment 9-7-05

Date invoice received 9-7-05

Phone number 703-242-3827

## Comments:

Contract #266351-01-T-0036

Delivery Order #2BRPSR-04-M-2893

8/1/05-8/31/05

Sales Tax:

\$0.00

Please pay this amount:	\$48,112.83
Due by:	09/30/2005

A finance charge of 1% (12% APR) will be added to all past due invoices.

**Miscellaneous Invoices**



MINNESOTA DIVERSIFIED INDUSTRIES, INC.

Remit to: P.O. Box 1521, Minneapolis, MN 55480-1521  
Phone: 651-999-8289 Fax: 651-646-4215

INVOICE NUMBER	INVOICE DATE
68466	07/31/2005

CUSTOMER NO.	CUSTOMER PO NO.
10261	266351-01-T-0036

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USPS - Collectibles  
Wanda Pratt  
1735 N Lynn St  
Arlington, VA 22209-6432

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Wanda Pratt  
1735 N Lynn St  
Arlington, VA 22209-6432



TERMS	SHIPPING DATE	BILL OF LADING NO.	SHIPPED VIA	
Net 30	07/31/2005			
QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL	
9,763.00	0047380 Col, Amer. Advances in Aviation Print W/ 10 St:	0.9778	\$9,546.26	
16,175.00	0047491 Stamp, Collectibles, Commemorative, Sporty C	0.5346	\$8,647.16	
9,990.00	0047457 Stamp, Collectibles, Commemorative, Arthur A:	0.8855	\$8,846.15	
640.00	0047381 Stamp, Collectibles, Commemorative, Aviation	0.6470	\$10,119.08	

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

Signature *Wanda Pratt*  
Printed or typed name and title *Wanda Pratt*  
USPS Facility *6660170*  
Finance number *2BRPSR-04-M-2893*  
Order or contract number *524412*  
A/C (local payments) Date goods or services received *8-5-05*  
Date certified for payment *8-4-05*  
Date invoice received *7-29-05*  
Phone number *3857*

mn  
itra 266351-01-T-0036  
very Order #2BRPSR-04-M-2893  
35-7/31/05

Sales Tax: \$0.00

Please pay this amount:	\$37,158.65
Due by:	08/30/2005

A finance charge of 1% (12% APR) will be added to all past due invoices


**MINNESOTA DIVERSIFIED INDUSTRIES, INC.**

 Remit to: P.O. Box 1521, Minneapolis, MN 55480-1521  
 Phone: 651-999-8289 Fax: 651-646-4215

INVOICE NUMBER	INVOICE DATE
68180	06/30/2005

CUSTOMER NO.	CUSTOMER PO NO.
10261	266351-01-T-0036

SOLD TO

 USPS - Collectibles  
 Wanda Pratt  
 1735 N Lynn St  
 Arlington, VA 22209-6432

SHIP TO

 Wanda Pratt  
 1735 N Lynn St  
 Arlington, VA 22209-6432


TERMS	SHIPPING DATE	BILL OF LADING NO.	SHIPPED VIA	
Net 30	06/30/2005			
QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL	
15,666.00	0047168	Stamp, Collectible, Philatelic, Disney: Celebrat	0.4690	\$7,347.35
225.00	0047380	Col, Amer. Advances in Aviation Print W/ 10 St	0.9778	\$220.01
19,945.00	0047114	Stamp, Collectible, Philatelic, Art Of Disney: Ce	1.0308	\$20,559.31
16,153.00	0047167	Stamp, Collectible, Philatelic, Disney: Celebrat	0.5346	\$8,635.39
53.00	0047288	Hourly Labor Charges-Amer. Architecture-Clin	31.0000	\$1,643.00

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

 Signature Wanda D. Pratt  
 Signature Wanda D. Pratt  
 (A) Philatelic Investment Corp.

 Printed or typed name and title  
Wanda D. Pratt  
 Postal facility  
606-0170

 Finance number  
2BRPSR-04-M-2893  
 Order or contract number  
52442

 Account number  
7-7-2005  
 A/C (local payments) Date goods or services received  
7-7-2005

 Date certified for payment  
7-7-2005  
 Date invoice received  
7-7-2005

 Phone number  
(703) 292-3827
**Comments:**

 Contract #266351-01-T-0036  
 Delivery Order #2BRPSR-04-M-2893  
 6/1/05-6/30/05

Sales Tax: \$0.00

Please pay this amount:	\$38,405.06
Due by:	07/30/2005



GOVERNMENT SERVICES, INC.

Remit to: P.O. Box 1521, Minneapolis, MN 55480-1521  
Phone: 651-999-8289 Fax: 651-646-4215

INVOICE NUMBER	INVOICE DATE
20020	09/30/2004

CUSTOMER NO.	CUSTOMER PO NO.
USPS 0036AN	266351-01-T-0036

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USPS Stamp Development  
Annie Nesbitt  
1735 N Lnn ST  
Arlington VA 22209-6432

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Annie Nesbitt  
1735 N Lnn ST  
Arlington VA 22209-6432



TERMS	SHIPPING DATE	BILL OF LADING NO.	SHIPPED VIA	
	09/30/2004			
QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL	
15,103.00	COLLECTIBLES#455793 John Wayne - Stamp/FI	0.3850	5,814.66	
15,690.00	COLLECTIBLES#457391 Art of the Amer. Ind. Ce	0.3850	6,040.65	
56.00	COLLECTIBLES#884601 Cloudscapes - 20 Stam	0.3560	5,537.94	

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

Diane Dalsing  
Signature

DIANE DALSING  
Printed or typed name and title

USPS Hdqtrs 66-0170  
Postal facility Finance number

266351-01-T-0036 52442  
Order or contract number Account number

10/2/04  
AIC (local payments) Date goods or services received

10/6/04 10/2/04  
Date certified for payment Date invoice received

703-292-3827  
Phone number

Comments:

Contract #266351-01-T-0036  
Order #2BRPSR-04-M-2893  
10/01/04 - 9/29/04

Sales Tax: \$0.00

Please pay this amount:	\$17,393.25
Due by:	09/30/2004



GOVERNMENT SERVICES, INC.

Remit to: P.O. Box 1521, Minneapolis, MN 55480-1521  
Phone: 651-999-8289 Fax: 651-646-4215

INVOICE NUMBER	INVOICE DATE
20005	09/29/2004

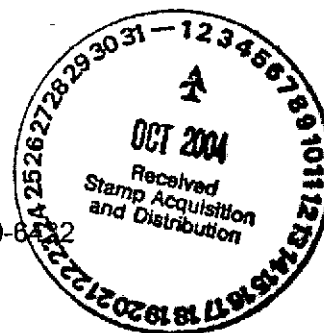
CUSTOMER NO.	CUSTOMER PO NO.
USPS 0036AN	266351-01-T-0036

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USPS Stamp Development  
Annie Nesbitt  
1735 N Lnn ST  
Arlington VA 22209-6432

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Annie Nesbitt  
1735 N Lnn ST  
Arlington VA 22209-6432



TERMS	SHIPPING DATE	BILL OF LADING NO.	SHIPPED VIA	
	09/29/2004			
QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL	
3.50 HOURS	Labor for job #18380-18384	32.3900	113.37	
18.00 HOURS	Labor for job #18076	32.3900	583.02	

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

*Diane Dalsing*  
Signature

DIANE DALRING  
Printed or typed name and title

USPS Hdqtrs 66-0170  
Postal facility Finance number

266351-01-T-0036 52442  
Order or contract number Account number

10/2/04  
A/C (local payments) Date goods or services received

10/6/04 10/2/04  
Date certified for payment Date invoice received

703-292-3827  
Phone number

Comments:

Sales Tax: \$0.00

Please pay this amount:	\$696.39
Due by:	09/29/2004





GOVERNMENT SERVICES, INC.

Remit to: P.O. Box 1521, Minneapolis, MN 55480-1521  
Phone: 651-999-8289 Fax: 651-646-4215

INVOICE NUMBER	INVOICE DATE
20015	09/29/2004

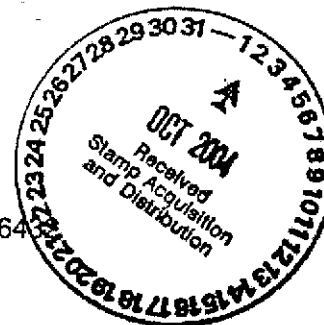
CUSTOMER NO.	CUSTOMER PO NO.
USPS 0036AN	266351-01-T-0036

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USPS Stamp Development  
Annie Nesbitt  
1735 N Lnn ST  
Arlington VA 22209-6432

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Annie Nesbitt  
1735 N Lnn ST  
Arlington VA 22209-6432



TERMS	SHIPPING DATE	BILL OF LADING NO.	SHIPPED VIA	
	09/29/2004			
QUANTITY	DESCRIPTION		UNIT PRICE	TOTAL
16.00	POLYBAGS	Polybags	14.0000	224.00
1.00	FREIGHT	Freight	0.0000	0.00

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

Diene Dalsing  
Signature

DIANE DALRING  
Printed or typed name and title

USPS Hdqtrs 66-0170  
Postal facility Finance number

266351-01-T-0036 52442  
Order or contract number Account number

10/2/04  
AIC (local payments) Date goods or services received

10/6/04 10/2/04  
Date certified for payment Date invoice received

703-292-3827  
Phone number

Comments:

Delivery Order #2BRPSR-04-M-2893  
ACC Wave 3 - 2004 Rework

Sales Tax: \$0.00

Please pay this amount: \$224.00

Due by: 09/29/2004



GOVERNMENT SERVICES, INC.

Remit to: P.O. Box 1521, Minneapolis, MN 55480-1521

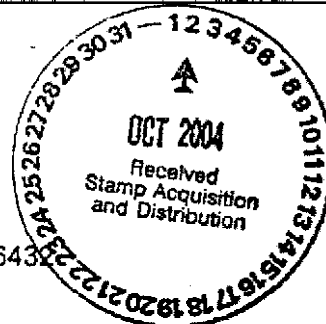
INVOICE NUMBER	INVOICE DATE
20008	09/29/2004

CUSTOMER NO.	CUSTOMER PO NO.
USPS 0036AN	266351-01-T-0036

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Arlington VA 22209-6432



TERMS	SHIPPING DATE	BILL OF LADING NO.	SHIPPED VIA	
	09/29/2004			
QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL	

16,500.00 BACKERCARD ACC Backer Cards MDI44847 0.0452 746.63

Long Backers Wave III - (Reordered new ones)

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

Diane Dalsing  
Signature

DIANE DALRING  
Printed or typed name and title

USPS Hdqtrs 66-0430  
Postal facility Finance number

266351-01-T-0036 52442  
Order or contract number Account number

10/2/04  
A/C (local payments) Date goods or services received

10/6/04 10/2/04  
Date certified for payment Date invoice received

703-292-3827  
Phone number

Comments:

ACC Wave 3 - 2004 Rework

Delivery order #2BRPSR-04-M-2893

Sales Tax: \$0.00

Please pay this amount: \$746.63

Due by: 09/29/2004



VERNMENT SERVICES, INC.

Remit to: P.O. Box 1521, Minneapolis, MN 55480-1521  
Phone: 651-999-8289 Fax: 651-646-4215

INVOICE NUMBER	INVOICE DATE
20044	09/30/2004

CUSTOMER NO.	CUSTOMER PO NO.

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USPS Stamp Development  
Annie Nesbitt  
1735 N Lynn Street  
Arlington VA 22209-6432

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O

Annie Nesbitt  
1735 N Lynn Street  
Arlington VA 22209-6432



TERMS	SHIPPING DATE	BILL OF LADING NO.	SHIPPED VIA	
	09/30/2004			
QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL	
17,510.00	BACKERCARD:USPS Commemorative Backer C	0.0972	1,703.55	

Long Size backer - American Indian 7DC  
USPS Changed it.

I certify that goods or services described have been received and that the invoice is correct and proper for payment.

*Diiane Dalsing*

Signature

DIANE DALSING

Printed or typed name and title

USPS Hdqtrs 66-0170

Postal facility

Finance number

266351-01-T-0036 55442

Order or contract number

Account number

10/6/04

A/C (local payments) Date goods or services received

10/6/04 10/6/04

Date certified for payment

Date invoice received

703-292-3827

Phone number

Sales Tax:

\$0.00

Comments:

Order # 2BR PSR-04-M-2893

Please pay this amount: \$1,703.55

Due by: 09/30/2004

A finance charge of 1% (12% APR) will be added to all past due invoices.



www.smythco.com

**Smyth Companies, Inc.**  
 508 10th Street  
 Box 753  
 Austin, MN 55912  
 T507.433.7316  
 F507.433.1069

INVOICE

INV 20008

BILL TO

MINNESOTA DIVERSIFIED IND  
 ATTN: A/P 19013  
 1700 WYNNE AVE  
 ST. PAUL MN 55108 USA

SHIP TO

MINNESOTA DIVERSIFIED IND  
 1700 WYNNE AVE  
 ST. PAUL, MN 55108

INVOICE NO 100214  
 INVOICE DATE 09/21/04  
 SHIP DATE 09/08/04  
 P.O. NUMBER 10813  
 SALESPERSON 834 TOM TOWLE  
 ORDER NUMBER 0428176  
 SHIP VIA MOWER HOUSE TRUCK  
 TERMS NET 30 DAYS

SHIP ORDER # : 069693  
 BOL # : 0069836

Please remit in U.S. Dollars to Smyth Companies, Inc. at:  
 NW 9556 - P.O. BOX 1450 - MINNEAPOLIS, MN 55485-9556

DESCRIPTION	ORDERED QTY	SHIPPED QTY	UNIT PRICE	AMOUNT
20801003402 ACC VALUE BACKER CARD REORDER # : MDI44847 PRODUCT SIZE : 7.50 X 4.00 MDI44847	15,000	16,500	45.2500	746.63

-2893

RECEIVED  
 SEP 23 2004  
 AP

Smyth Companies, Inc.  
 Corporate address: 1085 Snelling Ave. N. - St. Paul, MN 55108

INVOICE AMOUNT

\$746.63

Smyth Companies, Inc.

St. Paul • Minneapolis • Bedford • Austin • Denver • Innovative Division

inv 2004.

DCT-01-2004 11:49

SMYTH

651 646 2385 P.02/02



www.smythco.com

Smyth Companies, Inc.  
508 10th Street NE  
Box 733  
Austin, MN 55912  
T507.433.7316  
F507.433.1069

## INVOICE

## BILL TO

MINNESOTA DIVERSIFIED IND  
ATTN: A/P 1901  
1700 WYNNE AVE  
ST. PAUL MN 55108 USA

## SHIP TO

MINNESOTA DIVERSIFIED IND  
1700 WYNNE AVE  
ST. PAUL, MN 55108

INVOICE NO 100859  
INVOICE DATE 09/30/04  
SHIP DATE 09/02/04  
P.O. NUMBER 10801  
SALESPERSON 834 TOM TOWLE  
ORDER NUMBER 0428112  
SHIP VIA MOWER HOUSE TRUCK  
TERMS NET 30 DAYS

SHIP ORDER # : 069483  
BOL # : 0069729

Please remit in U.S. Dollars to Smyth Companies, Inc. at:  
NW 9536 - P.O. BOX 1450 - MINNEAPOLIS, MN 55485-9536

20801003501	17,000	17,510	M	97.2900	1,703.55
USPS COMMEMORATIVE BACKER CARD					
ORDER # :MDI45562 MDI45562					
PRODUCT SIZE : 8.50 X 10.50					
<i>Annie N.</i> 266351-01-T-0036 28RPSR-04-m-2893					

Smyth Companies, Inc.  
Corporate address: 1085 Snelling Ave. N. - St. Paul, MN 55108

INVOICE AMOUNT \$1,703.55

Smyth Companies, Inc.

St. Paul • Minneapolis • Portland • Austin • Newcastle • Imagination Division

TOTAL P.02



1-800-295-5510

INVOICE NO.

9858697

www.uline.com

inv 20015

2200 S. Lakeside Drive • Waukegan, IL 60085

## INVOICE

ULINE FFD ID#: 36-3684738

SHIPPING SUPPLY SPECIALISTS

ANK YOUR ORDER. ULINE CUSTOMER SINCE 1999

YOUR ORDER # 12272335

SOLD TO:

SHIP TO:

MDG2000000690 1 AB 0.301 01 03



MDI KK  
1700 WYNNE AVE  
SAINT PAUL MN 55108-2708

000690

MDI KK  
1700 WYNNE AVE  
SAINT PAUL MN 55108-2708

CUSTOMER NO.	PURCHASE ORDER NO.	SHIP VIA	ORDER DATE	DATE SHIPPED	TERMS	INVOICE DATE
510629	10812	UPS GROUND	9/02/04	9/02/04	NET 30 DAYS	9/02/04
QUANTITY		ITEM NUMBER	DESCRIPTION		UNIT PRICE	EXTENDED PRICE
ORDERED	U/V	SHIPPED	PACK ORDERED			
16	CT	16		S-2382	5X9 2MIL POLY BAG 1H/CT	14.00
224.00						
RECEIVED SEP 07 2004 AP						

ORDER PLACED BY: KEVIN LINN

CCHAVEZ /MN

SUB-TOTAL

224.00

SALES TAX

.00

FRT/HNDLING

21.66

AMOUNT DUE

245.66

PLEASE PAY FROM  
INVOICE  
R TO THIS  
DICE NUMBER  
N CONTACTING  
EGARDING  
TRANSACTION.

CUSTOMER NAME	CUSTOMER NUMBER	INVOICE NUMBER	INVOICE DATE	AMOUNT DUE
MDI	510629	9858697	9/02/04	245.66

AMOUNT ENCLOSED


IF DIFFERENT THAN AMOUNT DUE \$

EXPLAIN DIFFERENCES ON REVERSE SIDE

IMPORTANT - PLEASE DETACH AND RETURN THIS  
PORTION TO INSURE PROPER CREDIT

MAKE CHECK  
PAYABLE AND  
MAIL TO:

ULINE  
ATTN: ACCOUNTS RECEIVABLE  
2200 S. LAKESIDE DRIVE  
WAUKEGAN, IL 60085

<b>OFFEROR TO COMPLETE BLOCKS 13, 14, 16, 18, 23, 24 and 28</b>				1. REQUISITION NO. 02-06522		PAGE 1 OF 1	
2. CONTRACT/ORDER NO. 102595-02-B-2087		3. AWARD/EFFECTIVE DATE 07/24/2002		4. MASTER/AGENCY CONTRACT NO.		5. SOLICITATION NO.	
7. FOR SOLICITATION INFORMATION CALL		a. NAME Dianne V. Holecck		1. TELEPHONE NO. (202) 268-4753		c. FAX NO. (202) 268-4866	
7. FOR SOLICITATION INFORMATION CALL		a. NAME Dianne V. Holecck		1. TELEPHONE NO. (202) 268-4753		c. FAX NO. (202) 268-4866	
U. S. POSTAL SERVICE HQ PURCHASING 475 L'ENFANT PL SW RM 4541 WASHINGTON DC 20260-6238 EMAIL: dholecck@email.usps.gov				10. ACO CODE  102595		11. SOLICITATION METHOD <input checked="" type="checkbox"/> RFO <input type="checkbox"/> RFP <input type="checkbox"/> ORAI	
				12. DELIVERY FOR FOB DESTINATION UNLESS BLOCK IS CHECKED <input type="checkbox"/> SEE SCHEDULE		13. DISCOUNT TERMS  NET 30	
				15a. BILLING ADDRESS  STAMP ACQUISITION & DISTRIBUTION ATTN: ANNIE NESBITT 475 L'ENFANT PLAZA SW RM 5726 WASHINGTON DC 20260-6811			
14b. <input type="checkbox"/> CHECK BOX IF REMITTANCE IS DIFFERENT AND PUT SUCH ADDRESS IN OFFER				15b. SUBMIT INVOICES TO ADDRESS SHOWN BLOCK 15a UNLESS BLOCK IS CHECKED <input type="checkbox"/> SEE ADDENDUM			
16. TYPE OF BUSINESS ORGANIZATION (Check all that apply)				17a. DELIVERY ADDRESS			
a. <input type="checkbox"/> MINORITY BUSINESS <input type="checkbox"/> BLACK AMERICAN <input type="checkbox"/> HISPANIC AMERICAN <input type="checkbox"/> NATIVE AMERICAN <input type="checkbox"/> ASIAN AMERICAN b. <input type="checkbox"/> WOMAN-OWNED <input type="checkbox"/> SMALL BUSINESS <input type="checkbox"/> EDUCATIONAL INSTITUTION <input type="checkbox"/> NON-PROFIT ORGANIZATION f. <input checked="" type="checkbox"/> NONE OF THE ABOVE ENTITIES				See Part I			
18. TAXPAYER IDENTIFICATION NO: 06-1292634				17b. TELEPHONE NO.: 17c. DELIVER BY/END DATE: 11/30/2002			
19. ITEM NO.		20. SCHEDULE OF SUPPLIES/SERVICES		21. QUANTITY		22. UNIT	
						23. UNIT PRICE	
						24. AMOUNT	
0001	Teddy Bears Postal Stamped Card Sheet Sets, in accordance with the attached		50,000.000	EA		\$0.8000	\$40,000.00
0002	Teddy Bears Postal Stamped Card Sheet Sets (Artwork Alterations)		1,000	LO		\$734.0000	\$734.00
0003	Holiday Snowmen Postal Stamped Card Sheet Sets, in accordance with the attached		50,000.000	EA		\$0.7600	\$38,000.00
0004	Teddy Bears Postal Stamped Card Sheet Sets, in accordance with the attached		21,000.000	EA		\$1.0200	\$21,420.00
26. <input type="checkbox"/> The supplier is required to sign this document and return copies to the issuing office. The supplier agrees, subject to the terms and conditions specified herein, to provide and deliver all items identified above and on any additional sheets.				27. <input type="checkbox"/> Award of Contract: Your offer on solicitation (block 5) is accepted as to items _____			
28a. SIGNATURE OF SUPPLIER				29a. UNITED STATES POSTAL SERVICE (SIGNATURE OF CONTRACTING OFFICER) 			
28b. PRINTED NAME AND TITLE OF SUPPLIER		28c. DATE SIGNED		29b. PRINTED NAME OF CONTRACTING OFFICER Stanley A. Lipinski		29c. DATE SIGNED 7/29/02	

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-47 To the extent that it is available for any of the PSC or PSS items that have been issued, please provide quotations or other information which will indicate the costs for different print quantities.

RESPONSE:

The requested information is not available, because the quantity is specified for each product when bids are solicited. There are no standard price tables for these products.



RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-48 Please compare the quantity of the PSC or PSS items printed on the invoices that are attached to the testimony in this docket as compared to the print quantity shown in response to Interrogatory DBP/USPS-1 and explain why there are differences. Please provide copies of any of the missing invoices or revise the quantity printed data.

RESPONSES:

The referenced attachment shows the number put into circulation. The invoices show the numbers printed. Differences could be due to various additional circumstances. Items may become damaged after the Postal Service receives them. Some may be held out from circulation in order to replace items lost or damaged in shipping to customers. There may be printer overruns, in which case the Postal Service is not obligated to pay for more than it ordered, but may decide, in certain instances, to take possession of the overruns and pay for them; those may or may not go into circulation.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-49 Please confirm, or explain if you are unable to confirm, that if the PRC were to approve the pricing concept of providing a range based on the then current letter and card rates, that the cost coverage values would not be considered and that they would vary based on the actual production costs.

RESPONSE:

The question cannot be answered as stated. Expected sales and production costs are among the factors that will go into the determination of the price for each issuance to be sure that the costs are covered. Each issuance could have a different price and may have different production costs, so any calculated cost coverages might or might not vary among issuances.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-50 Please advise whether any consideration has been given to basing the selling price of PSC and PSS items on a range of multiples of the production costs of the item rather than multiples of the then current letter and card rate. If not, why not? If so, please discuss and provide both the advantages and disadvantages.

RESPONSE:

Marking up production costs was not pursued for the following reasons. First, as stated in the testimony, the available cost information is not complete. Moreover, production costs can vary based on various factors that are not relevant to the value of the product actually provided, including such factors as the workload of the printer at the time of the order, the extent of any licensing fees, etc. (Of course, whichever approach is used, these differences could be mitigated so long as the range of fees is large enough to accommodate these differences in cost so as to mitigate irrelevant differences that should not be reflected in the price.) Whether the fees are based on markup of costs or multiples of postage is less consequential than that the final prices be commensurate with the high quality of the products and with their status as completely discretionary, premium items. They must also be fairly priced in comparison to commercially available substitutes.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-51 Please refer to your response to Interrogatory DBP/USPS-20. Please provide the reasons why certain items are on sale at local post offices but not at the SFS in Kansas City particularly since a significant number of items remain unsold.

RESPONSE:

PSS and PSC are distributed to Stamp Distribution Offices (SDOs), which in turn distribute them to postal retail outlets. As long as an item is in inventory at an SDO, it can be transferred to SFS. Once the supply is exhausted at SFS and the SDOs, the item is taken off sale at SFS. The items remaining unsold would be located at postal retail outlets. Due to the number of retail outlets, the total quantities may appear significant; however, the number at any given outlet may be quite small or zero. Please see the response to DBP/USPS-6.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-52 Please refer to your response to Interrogatory DBP/USPS-21. Since an average of 45-percent [and as much as 65-percent on one issue] of the Premium Stamped Cards and an average of 59-percent of the Premium Stamped Stationery remain unsold at the end of March 2007, please explain how this affects the net profit and the cost coverage for these items.

Baseball Sluggers	30000	11472	18528	62%
DC Super Heroes	30000	19705	10295	34%
Disney Romance	30000	10593	19407	65%
Southern Florida Wetland	10000	8165	1835	18%
Disney Celebration	30000	21380	8620	29%
50s Sporty Cars	35000	16157	18843	54%
Let's Dance	30000	11126	18874	63%
Cloudscapes	45000	30984	14016	31%
Disney Friendship	68000	37434	30566	45%
Art of the American Indian	35000	22669	12331	35%
Garden Bouquet	30000	11364	18636	62%
Disney Friendship	40000	17246	22754	57%
	Number Printed	Total Sold as of 3/30/07	Number Unsold as of 3/30/07	Percent Unsold as of 3/30/07
All Card Items	343000	189685	153315	45%
All Stationery Items	70000	28610	41390	59%

RESPONSE:

The level of sales obviously affects the amount of revenue from each issuance and therefore the difference between identifiable costs and revenue, if that is what the question means by "net profit." If "cost coverage" is defined as price divided by attributable unit costs, sales volume has no effect on "cost coverage." See the responses to OCA/USPS-T1-20-22 and DBP/USPS-4(c).

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-53      Please refer to your response to Interrogatory DBP/USPS-21.  
Please explain why so many items are printed when for the items listed with a printing of  
30,000 or more [all but one item] at least 29% or more of the items remain unsold after  
a period of as much as two and one-half years.

RESPONSE:

Please see the responses to DBP/USPS-6 and 51.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-54 Please refer to your response to Interrogatory DBP/USPS-24. Please explain why the price of all of the stamped card size PSCs that have been issued since 2002 have been sold for more than twice the price of the three cards that were sold at the 48.75% rate.

RESPONSE:

The question cannot be answered as stated; prior issuances were not priced on the basis of the posited calculation, but rather as explained in the response to DBP/USPS-43.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-55      Please refer to your response to Interrogatory DBP/USPS-25. Please confirm, or explain if you are unable to confirm, that if a rate as high as 3 times the stamped card rate is approved that it could be used for all PSC items regardless of whether they are similar to the current items or are a yet to be issued higher quality or special edition version or even are of a lesser cost than the current items.

RESPONSE:

If a range of fees is ultimately implemented as proposed, the Postal Service would have the discretion to price particular issuances anywhere within the range, based on its judgment of factors in addition to production costs, as discussed in previous answers, such as product quality, expected demand, the nature of the design, artistic quality, and any other factors of unique applicability to a particular issuance. The Postal Service is therefore unable to confirm that it would price all future issuances the same regardless of such factors, as the question hypothesizes. If the Postal Service's intention were to price all future issuances at the price point specified, (or any other particular price point), it would have made a simpler proposal requesting recommendation of a fixed fee, rather than a range of fees.



RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-56 Please refer to your response to Interrogatory DBP/USPS-30 subpart a. Please confirm, or explain if you are unable to confirm, that the Postal Service does not believe that the use would decline if the price was reduced.

RESPONSE:

As stated in the response to DBP/USPS-30 subpart a, "The Postal Service is unaware of any studies that reveal the price elasticity of demand for PSS or PSC." In general, it is an accepted principle that pricing premium items too low may actually suppress demand by giving the wrong price signal.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-57      Please refer to your response to Interrogatory DBP/USPS-30 subpart b.

[a]      Please confirm, or explain if you are unable to confirm, that the PSC and PSS items are advertised in the SFS publication USA Philatelic.

[b]      Please confirm, or explain if you are unable to confirm, that the SFS publication USA Philatelic is designed as the official source for stamp enthusiasts.

[c]      Please advise the print and distribution quantities of a recent issue of USA Philatelic.

[d]      Please advise other methods, including quantities and extent, that the Postal Service uses to advertise the sale of PSC and/or PSS items.

[e]      Please confirm, or explain if you are unable to confirm, that the SFS publication USA Philatelic has contained in various issues all of the PSC and PSS items that have been issued.

[f]      Please discuss the extent to which the various methods of advertising provided in your response to subpart d of this interrogatory have advertised all of the PSC/PSS items or have been limited only to specific issues.

RESPONSE:

(a)      Confirmed.

(b)      Confirmed, as is stated on the cover.

(c)      628,000.

(d)      Advertising methods and quantities may vary with various issuances and can include posters in retail lobbies, sales sheets, placement in the Guide to U.S. Stamps, and on usps.com.

(e)      Confirmed.

(f)      Please see the response to part (d) above.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-61 Please refer to your response to Interrogatory DBP/USPS-35.  
Please advise the date that the Number Sold entry is as of.

RESPONSE:

December 14, 2006.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-62      Please refer to your response to Interrogatory DBP/USPS-35 subpart c.

Please confirm, or explain if you are unable to confirm, that the following calculations were utilized in obtaining the data:

- [a]      The Postage Revenue was determined by multiplying the Postage by the Items/Pack by the No. Packs Sold.
- [b]      The Total Revenue was determined by multiplying the No. Packs Sold by the Price per Pack.
- [c]      The Non-Postage Revenue was determined by subtracting the Postage Revenue from the Total Revenue.

RESPONSE:

Confirmed.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-64 Please refer to your response to Interrogatory DBP/USPS-36 subparts g and h. A response was not made to these subparts. Please provide.

[DBP/USPS-36

- (g) Please confirm, or explain if you are unable to confirm, that the average unit retail price is subject to a large change if there is a change in the make-up of the sample items particularly since there is such as variability of prices, namely a 13.41 to one for stationery and 4.18 to one for postcards and since there is only a small sample size.
- (h) Please specifically advise how the specific items were chosen for the samples.]

RESPONSE:

- (g) By definition, the average unit retail price is subject to change if there is a change in the items averaged. As stated in USPS-T-1 on page 5, the purpose of the sample is to show "the ranges in market prices of commercially available products that might serve as substitutes for the [Premium Stamped] stationery and cards if they were not stamped."
- (h) As stated in the response to OCA/USPS-T1-1 subpart b, "All samples were supplied by USPS Stamp Services in December 2006 with the exception of those annotated with an asterisk that were part of [the witness's] personal collection." The items were chosen to illustrate the ranges in market prices, as stated in response to DBP/USPS-36(g).

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-65      Please refer to your response to Interrogatory DBP/USPS-36 subpart e, Please provide an illustration of the front and rear sides of Stationery items 11 through 14.

RESPONSE:

Attached.

Attachment to response to DBP/USPS-65

Page 1 of 4

STATIONERY ITEM # 11



BACK

FOLD →

FRONT

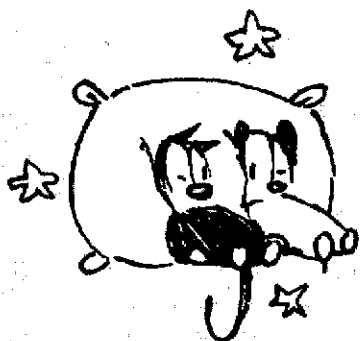
Attachment to response to DBP/ASPS/65 ERY ITEM #12  
 Page 2 of 4

FROM

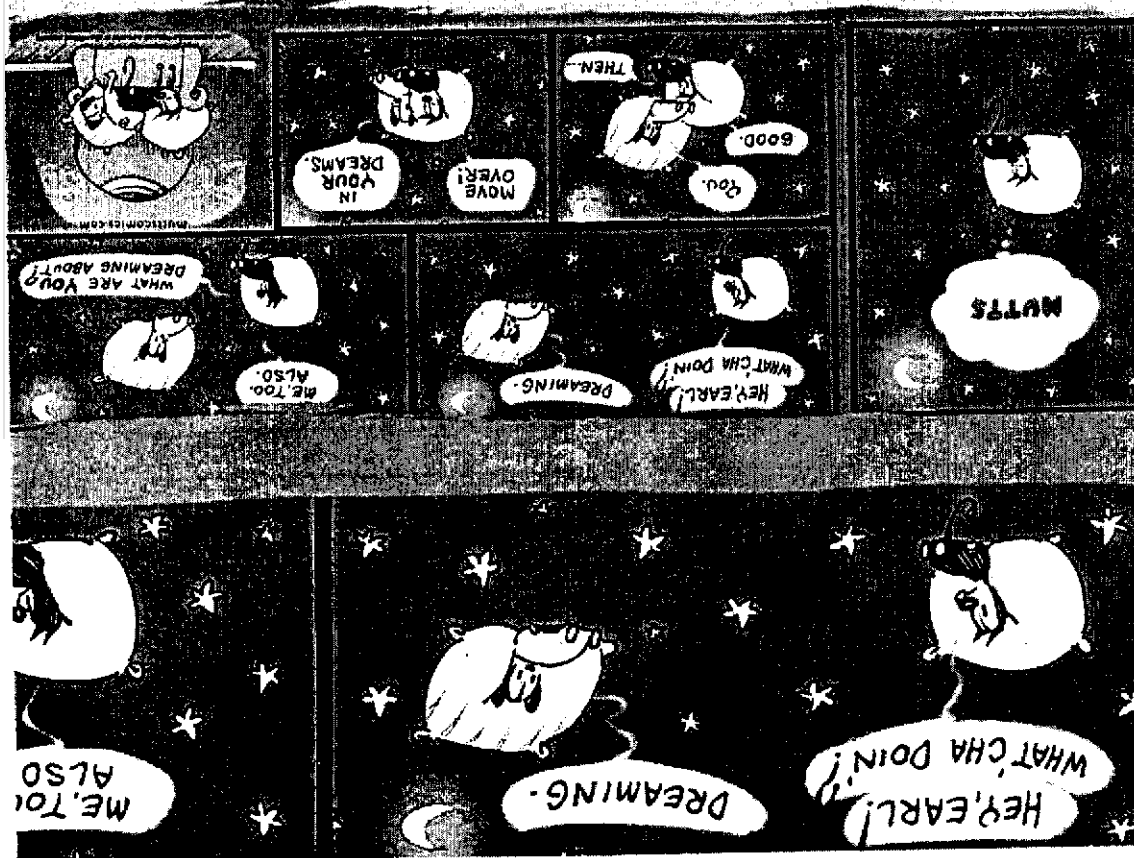


TO

FRONT



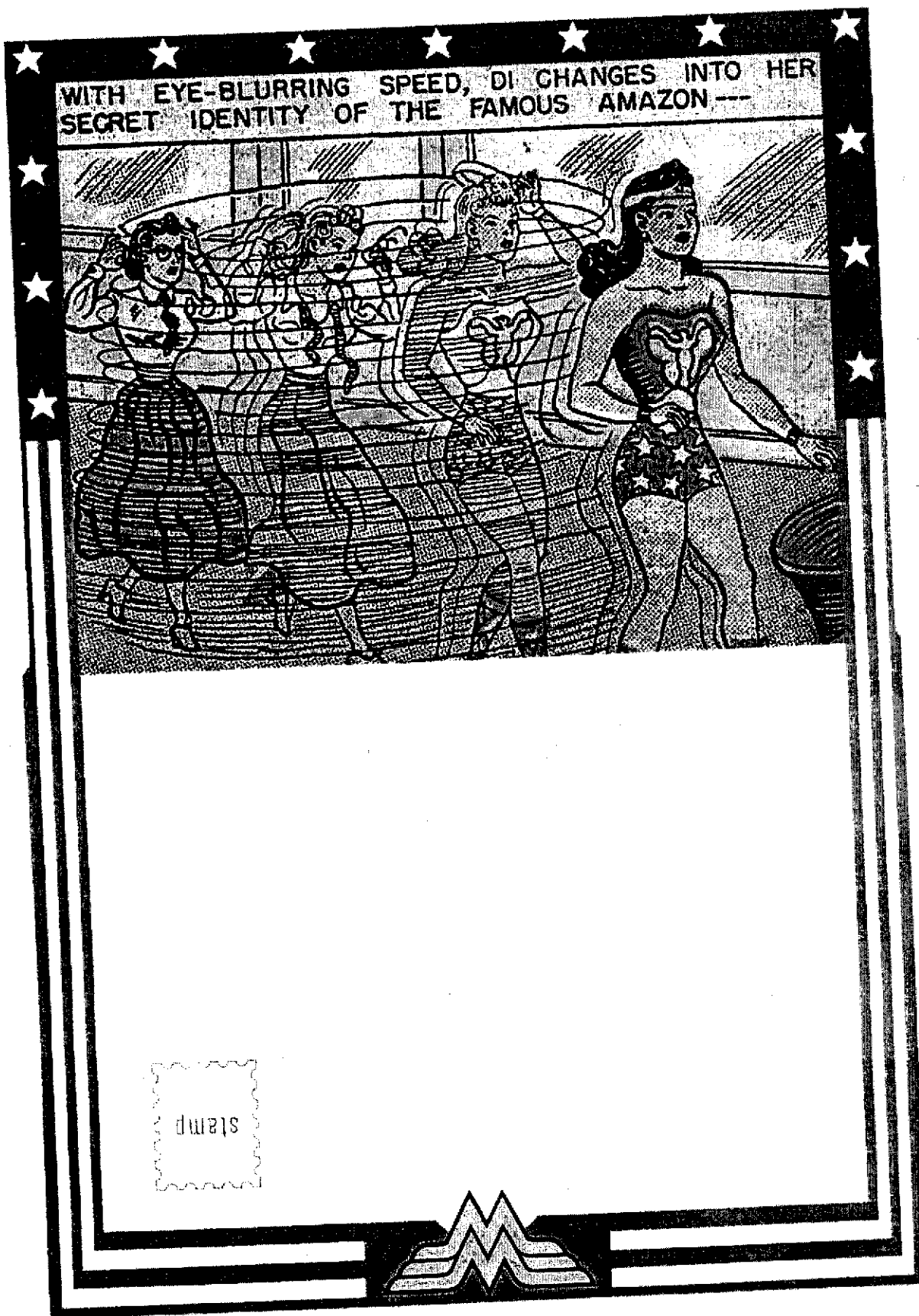
TOLD →



BACK



STATIONERY ITEM # 13



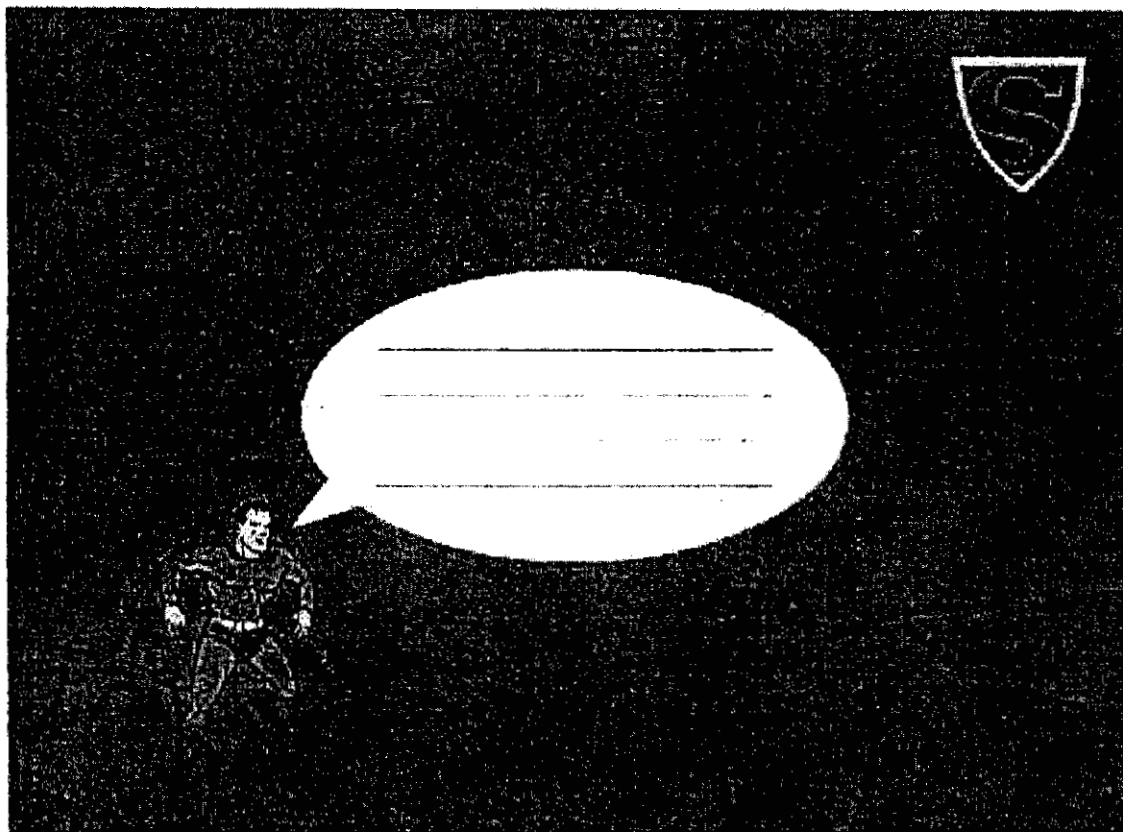
BACK

FOLD →

FRONT

Attachment to response to DBP/USPS-65  
Page 4 of 4 STATIONERY ITEM # 14

FRONT



FOLD →

BACK



RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-66      Please refer to your response to Interrogatory DBP/USPS-36 subparts e and f.      Please provide a measurement of the thickness of the Stationery items 11 through 14 and of the two versions of the USPS PSS.

RESPONSE:

The Postal Service's two Premium Stamped Stationery issuances were printed on 80-pound paper stock. The Postal Service does not possess information regarding the technical specifications of the commercial products.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-67 Please refer to your response to Interrogatory DBP/USPS-36. Please advise the statistical level of confidence that is associated with each of the two Average Unit Retail Price of Samples that appear in the charts.

RESPONSE:

Assuming a normal distribution for the price of stationery comparable to PSS, the average unit retail price of the stationery samples yields a 95% confidence level for the interval (\$0.62; \$1.61). Consequently, the probability is 95% that this interval contains the population mean unit retail price of stationery comparable to PSS. Assuming a normal distribution for the price of postcards comparable to PSC, the average unit retail price of the postcard samples yields a 95% confidence level for the interval (\$0.29; \$0.71). Consequently, the probability is 95% that this interval contains the population mean unit retail price of postcards comparable to PSC.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-69 Please refer to your response to Interrogatory DBP/USPS-42. Please confirm, or explain if you are unable to confirm, that if the Postal Service were to change its proposal from a range of two to three times the rate for a given service to one that was 1.5 to three times the same rate for a given service [i.e. lowering the lower limit of the range] that all of the future PSC/PSS items could still be sold at prices that were still in the range of the originally requested range of two to three times the rate for a given service. In other words, while the lowering of the lower range could possibly result in lower prices for the item, it would not necessarily mandate lower prices.

RESPONSE:

Please see the response to DBP/USPS-55 for an explanation of the Postal Service's understanding of the operation of a range of fees. This response does not change based on a hypothesized change in either the minimum or maximum points of the range.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-70 Please refer to your response to Interrogatory DBP/USPS-43.  
[a] Your response refers to costs for licensing. Has the Postal Service ever paid a licensing fee for the production of any of the previously issued PSC or PSS items?  
[b] If so, please provide full details.  
[c] Please explain why the Postal Service believes that the production of Premium Stamped Cards in packages of 20 cards vs. less than 20 cards will be affected by any of the items provided in the response.

RESPONSE:

(a)-(b) The Postal Service has not paid such fees for past issuances, but if it were to do so in the future, such costs would be considered as described in response to DBP/USPS-43.

(c) The number of cards in a package both affects demand and goes into determination of the price.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DAVID B. POPKIN

DBP/USPS-71 Please refer to your response to Interrogatory DBP/USPS- 49.  
[a] Please confirm, or explain if you are unable to confirm, that if the PRC were to approve the pricing concept of providing a range based on the then current letter and card rates, that it would provide a range of prices for which the Postal Service could charge for a given PSC or PSS item and that if one were to calculate the cost coverage value that the selling price resulted in, the cost coverage calculation would depend on the identifiable costs and the selling price [the higher the costs the lower the cost coverage value would be and the higher the selling price the higher the cost coverage value would be].  
[b] Other than ensuring that the costs are covered, please indicate how the Postal Service will take into account that the calculated cost coverage value will be reasonable.

RESPONSE:

- (a) If one were able to make such a calculation, it seems logical to conclude that the general rule stated would hold in this case.
- (b) The Postal Service does not intend to price these products on the basis of a calculated cost coverage once the range of fees is recommended, approved, and implemented.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF DOUGLAS F. CARLSON

**DFC/USPS-T1-11.** Please identify all products currently on sale for which the Stamp Fulfillment Services selling costs are attributed directly to those products.

RESPONSE:

None. The costs are institutional.



RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE  
REDIRECTED FROM WITNESS YEH

OCA/USPS-T1-3. Please provide the pricing history of both the Disney and Garden Bouquet stationery and the Disney card.

RESPONSE:

Both are sold for \$14.95. The \$14.00 price that had appeared at one point on the website was an error and has been corrected, as noted in the response to DBP/USPS-3

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE  
REDIRECTED FROM WITNESS YEH

OCA/USPS-T1-4. Has any Premium Stamped Stationery or Premium Stamped Card other than the three listed in the above interrogatory been sold since the Disney Stamped Stationery was first issued? If so, please provide the pricing history of those products including the dates sold, prices, and current status.

RESPONSE:

Please see the response to DBP/USPS-1. The items currently on sale are both stationery issuances and the following cards:

- Baseball Sluggers
- Disney Romance
- Disney Celebration
- Disney Friendship

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE  
REDIRECTED FROM WITNESS YEH

OCA/USPS-T1-13. Please refer to your testimony on page 11. Please provide the date for the inception of the PSS and PSC programs from which, you testify, revenues through December 2006 have not exceeded \$2,700,000.

RESPONSE:

Please see the response to DBP/USPS-1, which indicates 1994.

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE  
REDIRECTED FROM WITNESS YEH

OCA/USPS-T1-14. You describe the Premium Stamped Stationery as consisting of "quality stock paper" and the Premium Stamped Cards as cards of "quality stock paper" whereas the proposed DMCS classification definitions (963.1 and 964.1) refer to the products as "decorated" stationery or cards without reference to "quality stock paper."

- a. Is the cost of the stationery and cards impacted and increased when "quality stock paper" is used in the product? Please explain.
- b. Is "quality stock" an essential characteristic of either Premium Stamped Stationery or Premium Stamped Cards?
- c. Does each of the Premium Stamped Stationery and Premium Stamped Cards consist of "quality stock paper?" Please explain.
- d. If "quality stock paper" is an essential characteristic of Premium Stamped Stationery and Cards, please explain why that phrase "quality stock paper" is not included in the definitions for those products which refer, instead, only to "decorated" stationery and cards?

RESPONSE:

- (a) The quality of paper used affects printing costs.
- (b) The use of such paper has been the practice in the PSS/PSC program and is expected to continue.
- (c) The current and past PSS and PSC issuances are printed on such paper.
- (d) The proposed definition accommodates unanticipated changes, such as in paper technology, in the policy of the PSS/PSC program, or the format of the products (see response to DBP/USPS-2). In such case, the proposed range of fees would allow paper quality to be one of the factors considered in setting fees along the range.

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE  
REDIRECTED FROM WITNESS YEH

OCA/USPS-T1-15. Please refer to the proposed DMCS language for sections 963.2 and 964.2 (Attachment A of the Request) which state the price of the product "equals a fee within the range times the number of units ["cards" in 964.2] plus the value of the postage imprinted." Please confirm that the "fee" in proposed fee schedules 963 and 964 (Attachment B of the Request) does not include postage.

RESPONSE:

Yes, that is why it is DMCS schedule says "plus the value of postage." This parallels the existing Stamped Envelope and Stamped Cards classifications, which specify the fee excluding postage.

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE  
REDIRECTED FROM WITNESS YEH

OCCA/USPS-T1-16. Please confirm that, as currently priced, none of the Premium products in issue has a unit fee of an even cent. If you do not confirm, please explain.

RESPONSE:

Confirmed. Please note that neither does the Postal Service's proposal require that the fee chosen for a particular issuance be an integer.

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE  
REDIRECTED FROM WITNESS YEH

OCA/USPS-T1-17. Because the Postal Service proposes to provide public notice of future modifications of these Premium fees, and because one purpose of the DMCS fee schedules is to provide ready reference to currently applicable fees without reference to other documentation, would you have any objection to including the current unit fee in fee schedules 963 and 964, together with the maximum and minimum fees? If you do have any objection, please explain.

RESPONSE:

One feature of the flexible scheduling suggested by the Commission, adopted in the Postal Service's proposal, is to avoid having to amend the DMCS and fee schedules for each PSS and PSC issuance.

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE  
REDIRECTED FROM WITNESS YEH

OCA/USPS-T1-19. Is the artistic value of the Disney Friendship stationery different than the artistic value of the Garden Bouquet stationery? If so, how is that artistic value difference recognized in the pricing of the two issues?

RESPONSE:

Please see the responses to DFC/USPS-T1-1 and 5.



RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-30. At least one of the Premium Stamped Stationery packages has included make-up stamps for each sheet of stamped paper.

- a. Please list the issues of Premium Stamped Stationery which have included two cent make-up stamps.
- b. Please provide the additional production costs required to add make-up stamps during the production of Premium Stamped Stationery packages for sale.
- c. Are make-up stamps added to packages of Premium Stamped Stationery that have already been packaged? If so, please provide the additional cost of repackaging and adding make-up stamps to those packages.

RESPONSE:

- (a) Make-up stamps are added to shipments of Disney Friendship Premium Stamped Stationery at SFS. This practice was instituted on an exceptional basis for this product because of the intervening rate change, in conjunction with a special promotion in 2005 whereby Disney included in its *Bambi* DVD sales sheets for Disney PSS, which said that the stationery, which could be ordered from SFS, was "ready to mail."
- (b) None. The make-up stamps are not added in the production process, but in the order fulfillment process at SFS.
- (c) Yes. There is no basis to estimate costs.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-31. Please confirm that, if First-Class first-ounce postage rates change at least annually pursuant to the Postal Accountability and Enforcement Act, many unsold fold-and-mail Premium Stamped Stationery packages will require the addition of supplemental make-up stamps to the retail package or they will be destroyed. If you do not confirm, please explain.

RESPONSE:

Not confirmed. Please see the response to OCA/USPS-T1-30. In the future PSS would remain on sale after rate changes; customers wishing to mail the stationery would add the needed make-up postage.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-32. Please estimate the costs and savings to the Postal Service of imprinting a "Forever" stamp on Premium Stamped Stationery. Please indicate whether there would be a net savings to the Postal Service if it sold the Premium Stamped Stationery with a "Forever Stamp."

RESPONSE:

The Postal Service does not have a basis to make such estimates. Please see the response to DBP/USPS-40.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-33. Please confirm that imprinting a "Forever" stamp on Premium Stamped Stationery would provide an added convenience very likely to benefit customers purchasing a package of stationery for use over a period of time that is very likely to extend beyond the date of a change in First-Class postage which is consistent with the theme of convenience, the thrust of the Premium Stamped Stationery program. If you do not confirm, please explain.

RESPONSE:

Convenience is one aspect of the program, but there are other aspects of the PSS/PSC program and other considerations regarding the Forever Stamp program that would need to be taken into account. Please see the response to DBP/USPS-40.

RESPONSE OF THE UNITED STATES POSTAL SERVICE  
TO INTERROGATORY OF THE OFFICE OF THE CONSUMER ADVOCATE

OCA/USPS-T1-34. Would it not be more cost effective for the Postal Service to imprint "Forever" stamps on Premium Stamped Stationery rather than adding make-up stamps to the package or destroying unsold packages when the rate of postage increases? Please explain any negative answer.

RESPONSE:

Please see the response to OCA/USPS-T1-32.